CNR Puts New Stress on Job Performance

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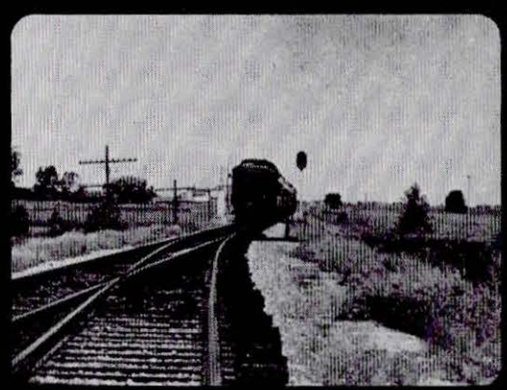
November 17, 1958

RAILWAY AGE *weekly*



IC moves into movies for rules training

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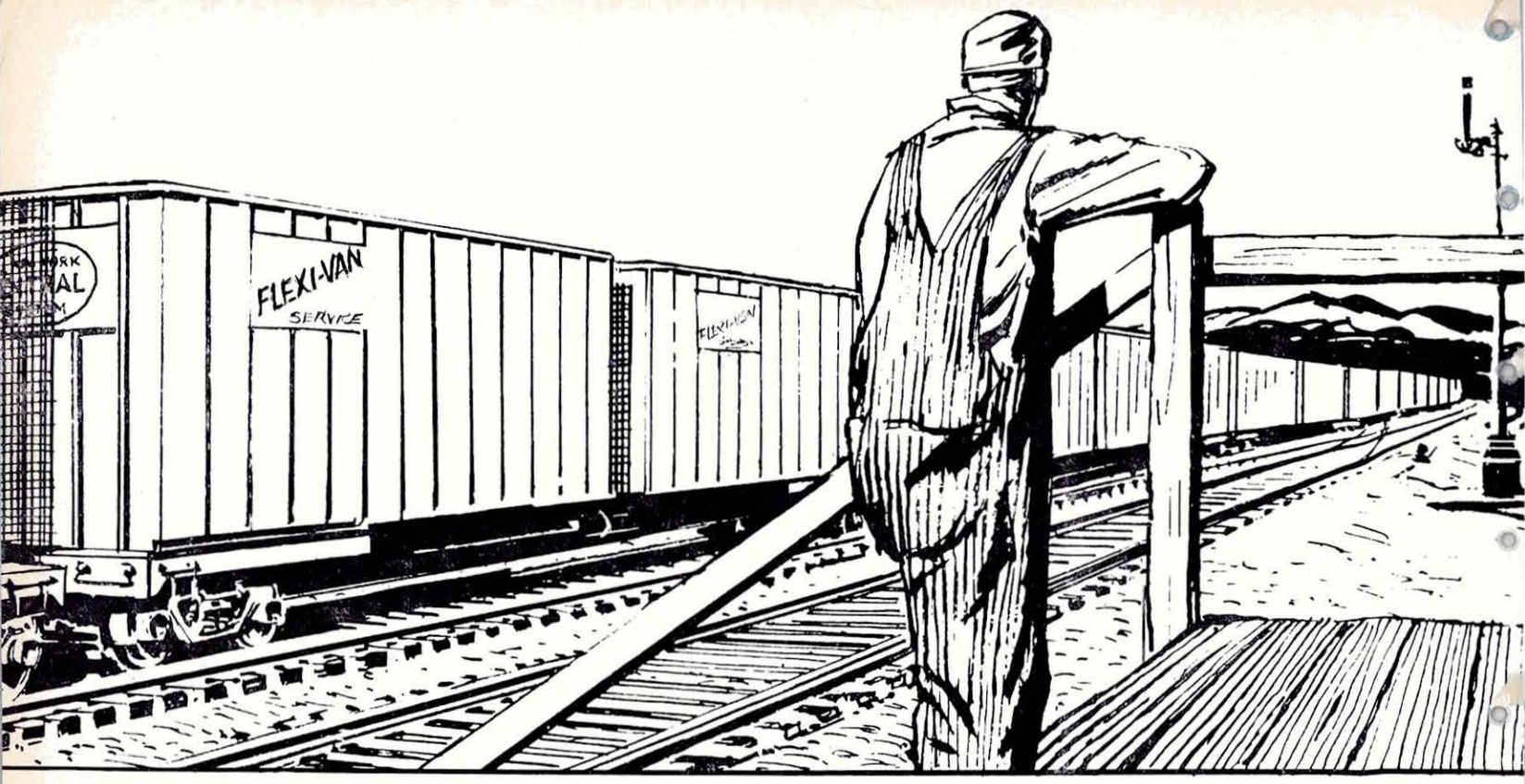
Sales Revolution?

New marketing concept may bring big changes

60 cents A Simmons-Boardman TIME-SAVER Publication



WHICH CAR . . . HAS NO BRAKE BEAMS?

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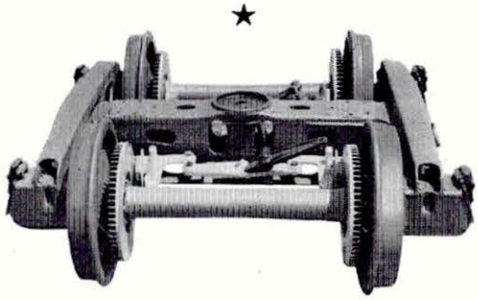
Seventy four of the first 75 Flexi-Van Rail-Highway Service cars built for New York Central are equipped with Unit Trucks.

The 75th car operates on "Buffalo" Brake-X, the first off-wheel system of disc braking available for freight train service.

As the first railroad to place a disc brake freight car in regular revenue service,* New York Central approaches this latest test of off-wheel braking confident that disc brakes will give a good account of themselves in attaining the goal of higher availability with minimum maintenance for this most demanding service.

**First Brake-X freight car placed in revenue service by N.Y.C. Sept. 1956.*



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Over $100,000 a year can be cut in passenger terminal operating costs

by Standard's Wheel Truing Machine

$129,140 a year *saved*—over $350 a day. Look at this analysis, made by a leading railroad during recent installation, of the savings to be realized through the cost-reducing performance of Standard's Wheel Truing Machine:

WHEEL TRUING MACHINE SAVINGS ANALYSIS

DIRECT SAVINGS—ANNUAL

(Based on actual passenger car wheels removed during last 6 months of 1957 by reporting railroad)

Total Wheels Changed	2,592
Changed for Other Than Turning	244
Net Wheels Changed for Turning	2,348

Average Labor and Material saved per pair turned—$55.00

TOTAL ANNUAL LABOR AND MATERIAL SAVINGS . . $129,140.00

MAJOR INVENTORY REDUCTION

(Actual reduction made at time of machine installation)

Wheel Assembly Type	Inventory Reduction	Value Each	Total Reduction
Roller Bearing with Clasp Brake	59	$ 856	$50,504
Roller Bearing with Disc Brake	35	1428	49,980
Roller Bearing with Spicer Drive	25	1783	44,575

TOTAL MAJOR INVENTORY REDUCTION $145,059*

*Inventory Reduction alone, is great enough to offset the cost of the machine. Therefore, all savings in Labor and Material are *pure* savings . . . savings in the cost of doing passenger business. A number of railroads are now enjoying savings like these. Our representatives can supply the facts behind studies of this nature. If you desire immediate information, write to: WHEEL TRUING, Standard Railway Equipment Manufacturing Company, 310 So. Michigan Ave., Chicago 4, Illinois.

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RAILWAY AGE *weekly* November 17, 1958 • Vol. 145, No. 20

Week at a Glance

Departments

Current Questions 13
Freight Car Loadings 35
Letters from Readers 39
New Equipment 35
Organizations 34
People in the News 38
Railroading After Hours ... 25
Railway Market 35
Supply Trade 38
The Action Page 42
Watching Washington 10
You Ought to Know 40

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Rate freedom: What's the delay? ..... p. 9

Congressman Harris and AWR President Roddewig hint at rough weather ahead for the rate-making freedom granted by the Transportation Act of 1958. Rep. Harris hopes the rate-freedom provision's purpose—to permit a larger area of competition, within regulation—is understood by all.

Court backs KCS, MP in tax case p.10

Kansas' supreme court has ruled the two railroads have a valid case in their fight for equality of treatment in tax assessment. The railroads claim they are assessed at 60 per cent of property value, while other property falls under a lower rate.

Sales revolution on the way? p.14

The new concept of marketing has captured the business spotlight. It's a tool railroads can put to excellent use. Fundamental to its application is a determination of customers' needs, then a full-scale effort to satisfy the needs—at a profit.

Man failure blamed in CNJ wreck p.20

The ICC has just issued its report on the September 15 accident at a lift span bridge across Newark [N.J.] bay. Here are excerpts from the Commission's findings.

CNR puts new stress on job skills p.30

Performance appraisal on the railroad is taking a new turn. The emphasis is swinging away from the individual and more toward his work. George N. Daffern, the CNR's manager, Personnel Section, explains the new program and what it is designed to do.

IC moves into movies for rules training p.31

A new sound-color film is being used by the Illinois Central to train its operating personnel. Safety is the movie's overriding theme. The IC believes the film is the first of its type to be produced by a U. S. railroad.

Are the railroads ready for war? p.36

The National Defense Transportation Association hears rail pleas for an easing of regulation in peacetime and more cooperation among competing forms of transport, so that wartime demands could be met.

The Action Page—Sales department to the fore! p.42

One by one the various railroad departments get intensive top management attention. Now—and it couldn't be more timely—the sales department seems to be under scrutiny. This should result in placing the railroad sales manager and his department at a much higher stage of responsibility than they now occupy.

Week at a Glance CONT.

Current Statistics

Operating revenues, nine months	
1958	$7,012,303,984
1957	7,920,664,893
Operating expenses, nine months	
1958	5,612,987,864
1957	6,188,806,448
Taxes, nine months	
1958	686,238,403
1957	828,306,291
Net railway operating income, nine months	
1958	487,759,288
1957	699,669,837
Net income estimated eight months	
1958	354,000,000
1957	540,000,000
Average price 20 railroad stocks	
Nov. 11, 1958	103.43
Nov. 12, 1957	68.61
Carloadings revenue freight	
Forty-four wks., 1958	25,559,884
Forty-four wks., 1957	30,769,899
Average daily freight car surplus	
Wk. ended Nov. 8, 1958	13,769
Wk. ended Nov. 9, 1957	14,820
Average daily freight car shortage	
Wk. ended Nov. 8, 1958	3,178
Wk ended Nov. 9, 1957	216
Freight cars on order	
October 1, 1958	24,982
October 1, 1957	71,981
Freight cars delivered	
Nine months, 1958	34,664
Nine months, 1957	76,344

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Circulation Dept.: R. C. Van Ness, Director of Circulation, 30 Church St., New York 7, N. Y.

POSTMASTER—SEND FORM 3579 to EMMETT ST., BRISTOL, CONN.

Short and Significant

Canadian railways' non-ops . . .

are planning a nationwide strike Dec. 1 to back their demands for a wage increase. Fifteen unions and some 130,000 employees are directly involved. The action, a union spokesman said, was taken "with great regret."

CNR and CPR countered . . .

with a charge that the union move is without justification. And they reaffirmed their stand that no increase can be granted until the money is provided—in this case through a proposed 19 per cent freight rate boost. The recommendations of the conciliation board in the wage case are such, the railways declared, that the employees will suffer no loss by holding a settlement in abeyance pending a decision on the rate proposal.

Piggyback will be introduced to Maine . . .

late this month by the Maine Central. The road's first TOFC operation will involve movement of a shipper-owned trailer between Portland and northeastern Maine under so-called Plan 3. The road intends to extend its service to include all piggyback plans.

The Railroad Unemployment Insurance tax rate . . .

is a sure bet to reach the maximum 3 per cent level in 1959. Balance in the account Sept. 30 was $129,875,395. Minimum balance needed to keep the rate at the present 2½ per cent: $250,000,000. Thus in five years (1955-59) the rate has gone from the minimum, 0.5 per cent, to the maximum permitted under the law.

Omaha voters have again rejected . . .

a railroad-opposed proposal to give city council power to issue airport revenue bonds without a vote of the people on each offering (RA, July 14, p. 40). Next step for the city: probable creation of an airport authority—which could issue bonds without approval of the voters.

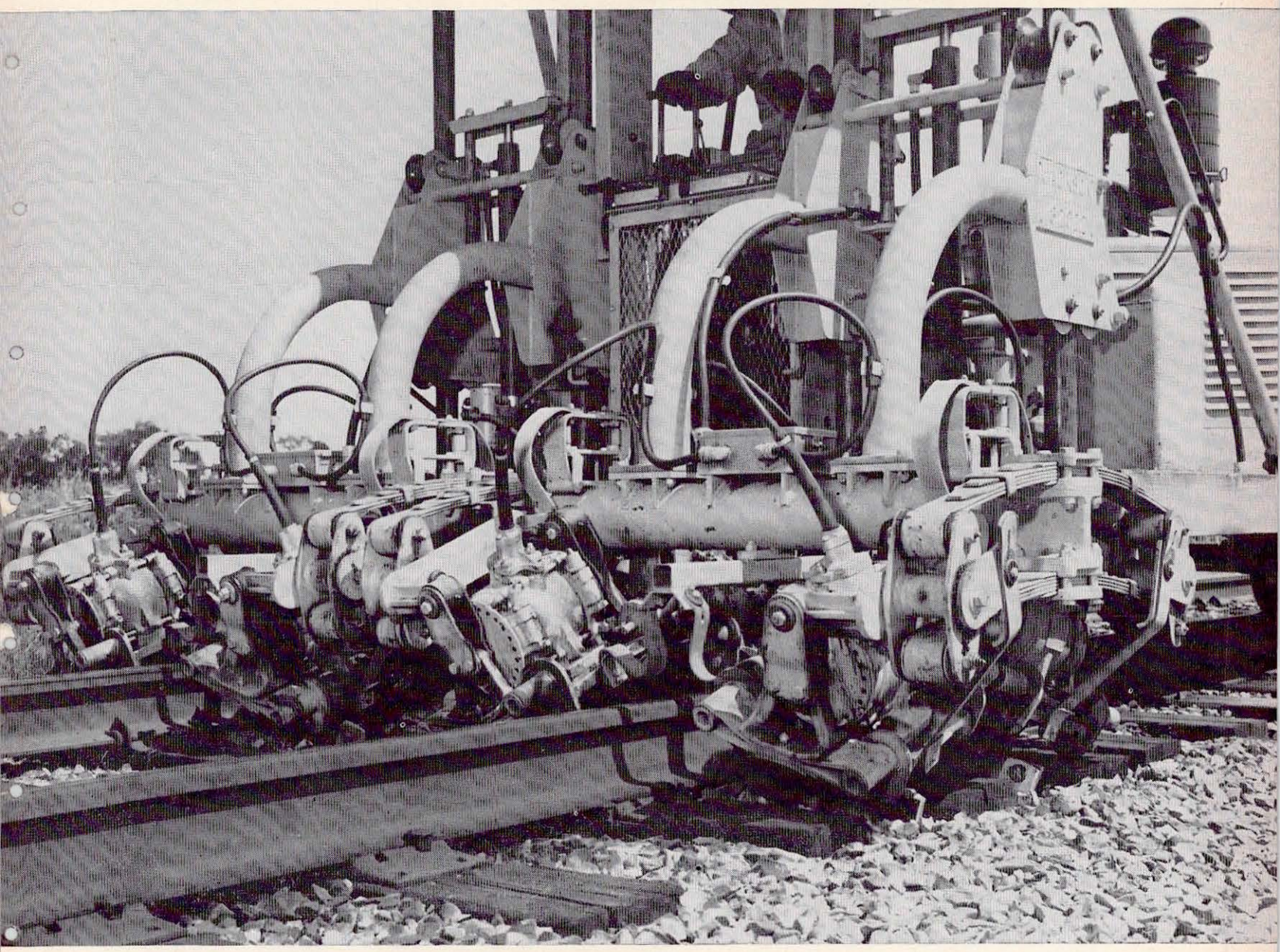
Chicago hotel ticket offices . . .

won't sell New York Central and Pennsylvania tickets after Feb. 1. The two roads feel that the cost of participating is too high in relation to the revenue they get. NYC's office at La Salle Street Station will take over. Pennsy is continuing its own office in the Loop.

An economic study of piggybacking . . .

is under way by the Railway Progress Institute. The RPI thinks that it will be the most comprehensive—if not actually the first—study of the cost-versus-revenue aspects of TOFC.

For 1959 The **CHAMP** *hits even harder!*



THE JACKSON TRACK MAINTAINER

already judged by the vast majority of Track Chiefs to be the most efficient machine of its type, enters the 1959 spotlight with much more powerful motors operated by a single-generator, simplified power plant with more than ample capacity. Its greatly increased vibratory energy dominantly extends this machine's matchless uniformity of ballast consolidation and supreme versatility over the entire range of production tamping. Fewer insertions per tie are required with proportionate gains in hourly footage. Maximum ballast consolidation right under the rail is constantly maintained.

Again in '59 the JACKSON TRACK MAINTAINER is by far your best bet. Write, wire or phone for any information desired. Knowing the facts, you'll surely want to include it in your '59 recommendations.

JACKSON VIBRATORS, INC.

LUDINGTON, MICHIGAN

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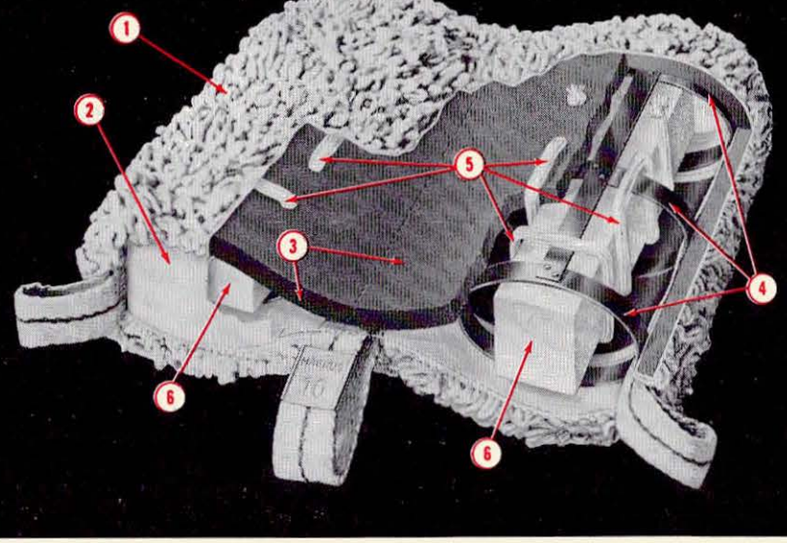
these six safety features assure an abundant supply and maximum flow of oil to the journal

Here's a long-lasting pad of unique design that combines all the known best qualities of pad construction for efficient journal lubrication — the result of 3-years intensive laboratory testing



What you need in a lubricator you get in the new Magnus Pad. It's a sturdy one-piece twin-lobe design — assuring long life. There's 3-way wicking from an abundant oil supply. Construction features are:

1. Outer Cover of tufted premium quality cotton yarn with heavy duck backing provides an ideal, glaze-resistant application and absorption surface. For proper fit, it is shrunk prior to assembly, and both ends are stitched to prevent raveling and bunching in service.
2. End Covers of cotton bolting cloth web assure lasting strength and flexibility, keep dust and dirt out, restrict oil loss.
3. One-Piece Felt Pad backs up the tufted cover and is sewn together to make a single pad, with twin-lobe design, that is far more rugged and has better capillarity than two separate pads.
4. Flat Steel Springs—three firmly connected springs in each lobe maintain constant and correct pressure of the pad on the journal. Scaleless tempered spring steel will not sag. The springs are firmly secured to the underside of the felt and cover and are riveted to spring steel spacer strips, positively preventing misalignment or contact of springs with journal.
5. Internal Wicks of 25-ply Bostonia provide 16 supplementary oil paths from the bottom to the top of each Magnus Lubricator Pad. Thus the design includes a combination of circumferential wicking, internal wicking and center-feed wicking.
6. Polyurethane Cores increase oil reservoir capacity, contact the internal wicks to increase oil flow.

Ask your Magnus representative to tell you more about the new Magnus Lubricator Pad. He'll gladly comply. Or write to Magnus Metal Corporation, 111 Broadway, New York 6, or 80 E. Jackson Blvd., Chicago 4, Ill.

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Rate Freedom: What's the Delay?

Rep. Oren Harris says Congress intended a larger area of competition; AWR's Roddewig fears ICC may ignore the law change; ICC Commissioner Tuggle thinks the "umbrella" principle of rate making is outlawed.

► **The Story at a Glance: A veteran congressman and a top railroad officer spoke out last week on the significance of the rate-making provision of the new Transportation Act. Each gave indications that the intent of Congress may be —or has been—misunderstood. . . . . .**

Chairman Oren Harris of the House Interstate and Foreign Commerce Committee called this new provision "an attempt to permit a larger area of competition within a framework of regulation." He gave emphasis to a hope that the purpose of the Act is understood "by all, including the ICC and the Supreme Court."

President Clair M. Roddewig of the Association of Western Railways said recent action by the Commission introduces "a very discouraging possibility" that the change in the law may be ignored.

Meanwhile, ICC Commissioner Tuggle thinks it is "certain" that the new rule outlaws the "umbrella" principle of rate making, says "troublesome questions" must be answered by the ICC "or the courts, if necessary."

Comments from both Rep. Harris and AWR President Roddewig hint of rough weather ahead for attempts to apply the rate making freedom granted by the Transportation Act of 1958.

Rep. Harris told the Western Railway Club in Chicago that the Transportation Act was an outgrowth of the serious consideration given the changing transport picture in the U. S. One of the vital queries posed, he said, was this: How may the public receive the benefit of any inherent advantage any respective mode might have in the carriage of goods or passengers at less cost than that of another mode?

"It is a purpose of the act," he declared, "and I hope that it is understood by all, including the ICC and the Supreme Court, that each mode of transportation should have opportunity to make rates reflecting the different inherent advantages each has to offer so that the public may exercise its choice among them—cost and service both considered—in the light of the kind of transportation desired. At the same time, the act makes clear—through its reference to the national transportation policy—that such rate making is to be regulated by the Commission to prevent unfair or destructive practices on the part of any carrier or groups of carriers."

The Commerce Committee chairman said it will be "interesting" to see the results of this attempt to broaden competition, still within regulation.

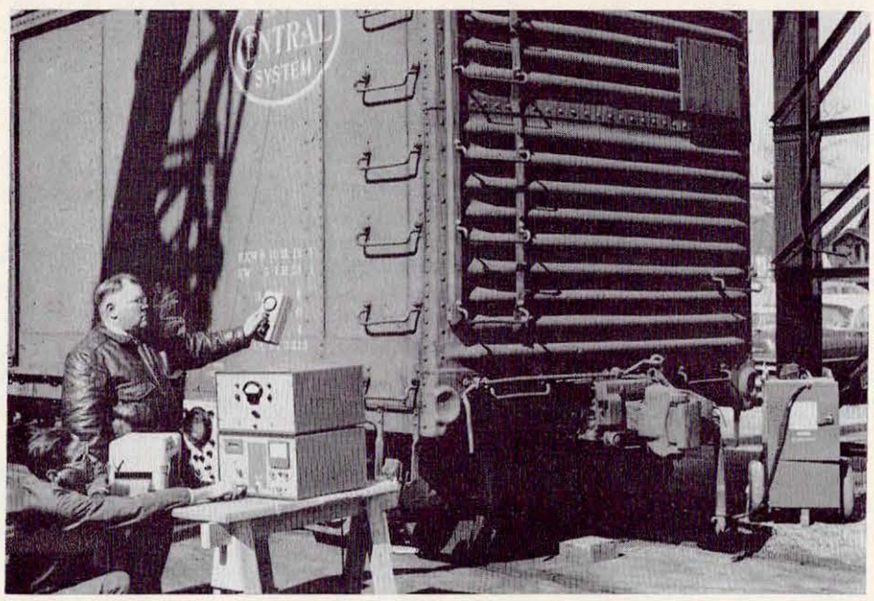
AWR President Roddewig, speaking before the New York Railway Club, warned that the decision in a case now pending may shape the course of future railroad rate making.

The case cited: Eastern road proposals to reduce paint rates to a point low enough to attract traffic, high enough to yield a reasonable profit. ICC Division 2 suspended the rates after motor carriers lodged a protest against the reduction.

The Division 2 action, Mr. Roddewig declared, "introduces a very discouraging possibility . . . that the Commission is going to ignore the fact that Congress changed the Interstate Commerce Act and continue to force the railroads to keep certain freight rates at unnecessarily high levels so as to prevent the motor carriers and barge lines from losing business . . . In requesting the full Commission to vacate the suspension order by Division 2, the railroads emphasize the great importance of this case as a precedent and as a guide-line to what can be done under the present law in the competitive pricing of railroad service.

"The final decision in this case may well determine whether the responsibility for pricing railroad service is to rest with railroad management in the true tradition of

(Continued on page 36)



The Atomic Age: Putting Gamma Rays to Work

New York Central's Technical Research Center has come up with a device that employs atomic energy to weigh freight shipments moving as fast as 30 miles an hour. Gamma rays are emitted from a Cobalt 60 source beneath the rails (between the car's wheels in the picture). Each car absorbs a certain amount of the rays according to the weight of its contents. The rays are then counted by scintillation counters suspended above the tracks and the information is fed into an electronic computer, being operated in the foreground of the picture by Richard Shackson, an NYC engineer. This gives the weight of the car. Physicist Frank Geiger checks the experiment.

Court Backs KCS, MP in Tax Case

The Supreme Court of Kansas has ruled that the railroads have a valid case in their fight for equality of treatment in tax assessment.

► **The Story at a Glance: Kansas City Southern and Missouri Pacific have won an interim victory—but a major one—in their fight for tax equality in Kansas. The state supreme court has reversed a lower court ruling, judged the dispute valid and ordered the case to trial.**

The case revolves around railroad allegations that their property is assessed at 60 per cent of actual value while other property in Kansas is assessed on a far lower ratio.

The court's opinion was strong. It was unanimous. It poses the possibility that the state might deem it useless to fight the case into an actual trial. In that event, a negotiated settlement might be reached out of court. A state tax officer indicated, however, that the state is, for the present, proceeding on the theory that the case will be tried.

The dispute between KCS and MoPac and the Kansas commission of revenue and taxation has been simmering for months (RA, Mar. 10, p. 9). KCS has paid taxes under protest in three counties for 1956 and 1957. Missouri Pacific has done the same in some 60 counties for the year 1957.

Tax payments involved now total approximately $1,630,000, in the Kansas counties covered by the suits.

The specific case at issue before the state supreme court concerned Cherokee County, where both roads paid taxes under protest and sued for recovery. The appeal was taken to the high court after the county district court sustained the commission's demurrers in both cases.

The supreme court didn't go into the merits of the actual tax suits. But it did rule strongly that the railroads have a valid dispute.

The court said that neither the federal nor the state constitution was violated in the method of setting valuation figures. But, it added, "the picture changed completely when the commission fixed an assessed valuation of 60 per cent of the true value on the railroad property and gave all other Cherokee County property subject to the same tax levy an assessed value of 21 per cent of true value."

The alleged acts by the commission coupled with the alleged knowledge that the commission had at that time, the court said, "were so arbitrary, oppressive and grossly discriminatory as to constitute a fraud on the rights of the taxpayer and destroy uniformity and equality . . ."

The difference in assessment ratio between railroad and other property, the court said, was so much an "excessive ratio as to constitute a fraud and discrimination."

A concurring opinion charged that taxing authorities had known of the existence of the situation for many years, but had taken no remedial action.

The case could have results ranging far beyond the problems of KCS and MoPac. A final railroad victory wouldn't bring refunds to other carriers on past taxes not paid under protest. But some observers believe legal success for the two roads might lead to changes in the entire Kansas assessment procedure.

Eldon Sloan, director of the state property valuation department, said it's "too early to tell" about the possibilities for settlement without a trial. He said no settlement proposal has been made and "we have none in mind, at least at this time, ourselves."

Even if a compromise should be suggested, Mr. Sloan added, there still would be a "very serious problem . . . as to who has authority to settle for the state." No ruling has been made on this issue.

Watching Washington *with Walter Taft*

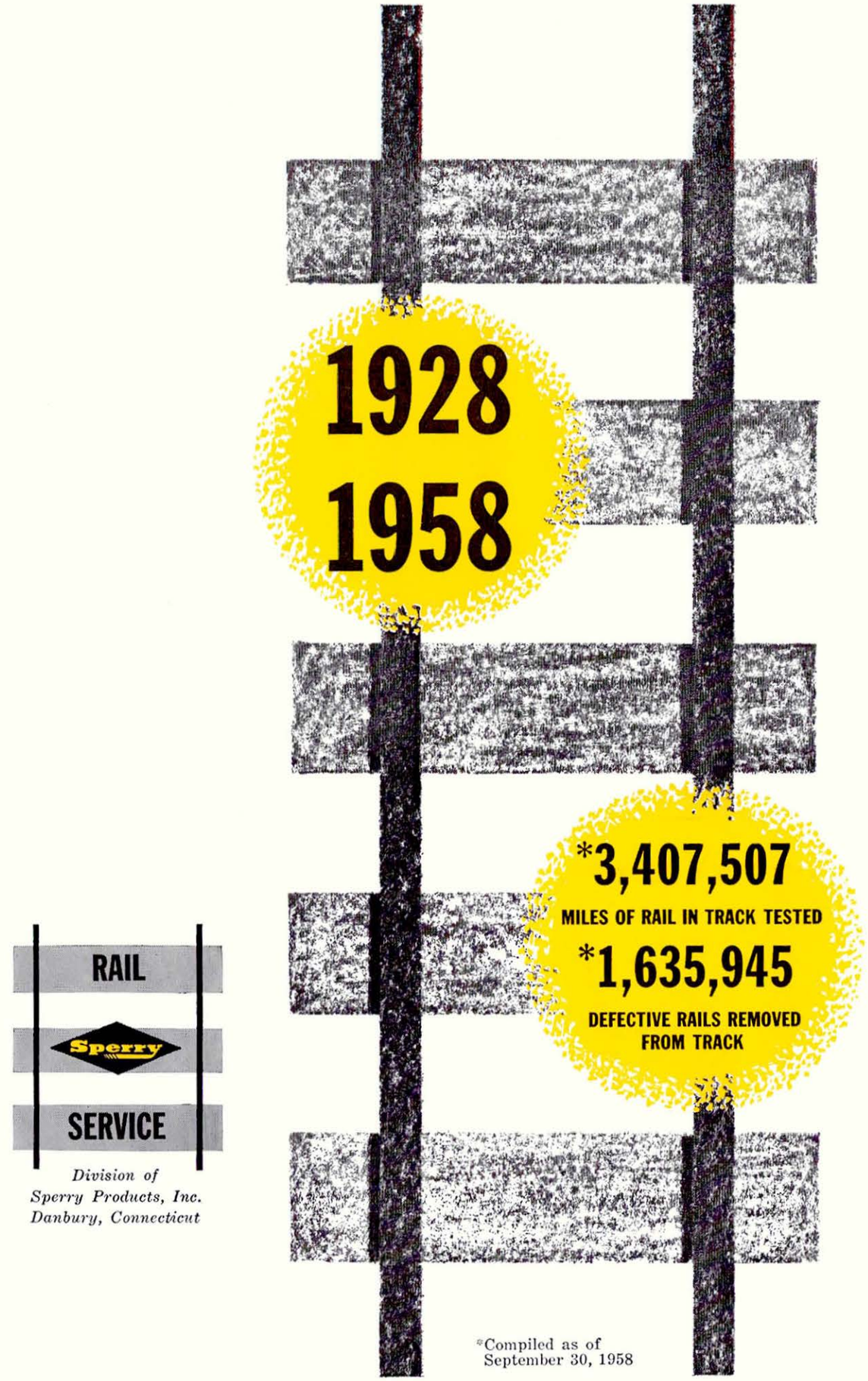
• **AN EXPERIMENT** with rates on loaded or empty movements of equipment furnished by shippers may end Dec. 10. Division 2 of the ICC has condemned two-year-old tariffs under which the Jersey Central, Reading, B&O and Pennsylvania have been offering the service on their Jersey City-Baltimore-Washington lines. The arrangement is like that contemplated on a broad scale in recently filed tariffs which the Commission has suspended pending investigation.

THE EQUIPMENT consists of demountable truck bodies and the flat cars on which they ride. The shippers have been leasing it from Coordinated Transportation Systems, Inc. (Cortrans). The railroads pay a mileage charge on the cars. The rates are on a per-truck-body basis with additional charges for tonnages, exceeding maxima, and with minimum charges per rail car. The truck bodies may be loaded with any freight, except articles of unusual value, live animals, explosives and other dangerous articles.

THE CANCELLATION ORDER is supported in Division 2's report with a finding that the rates "constitute a destructive competitive practice and are unduly low." Cost evidence is appraised as showing that the yield is less than full costs plus a profit. From there the report goes on to assert that there is no competitive necessity or other reason for permitting continuance of the service at rates lower than the full-cost-plus-profit basis.

POINTED UP PROMINENTLY in the report, however, is Division 2's concern about the threat to the rate structure. It calculates that the rates could get down to the equivalent of 6.6% of first class. It compares that with a floor at the 45% level which the Commission has fixed generally for all-freight rates. And it is "persuaded" that, if continued, the rates would precipitate like adjustments elsewhere in the East, then spread to other territories, and thus "undermine the rate structure on commodities generally."

APPEAL to the entire Commission is still available. The division's unanimous report represents the view of Commissioners Winchell, Murphy and Goff. Objectors to the rates are the Middle Atlantic Conference of Truckers and the Regular Common Carrier Conference of American Trucking Associations. Meanwhile, ATA's Private Carrier Conference supports the railroads.


1928
1958
*3,407,507
MILES OF RAIL IN TRACK TESTED
*1,635,945
DEFECTIVE RAILS REMOVED FROM TRACK
RAIL
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MORE SAVINGS because of Streamlite HAIRINSUL's ease of installation, long life and high salvage value.

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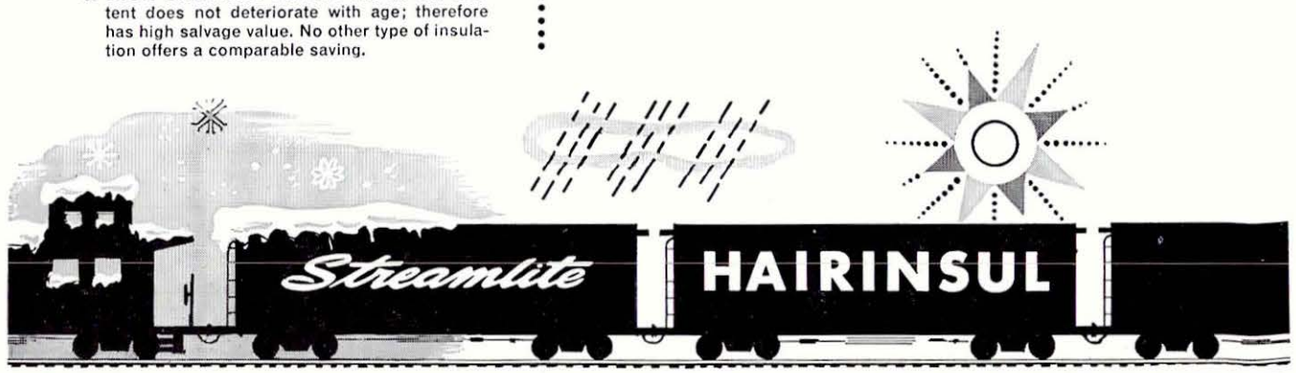
Merchandise Mart • Chicago 54, Illinois



SETS THE STANDARD BY WHICH ALL OTHER REFRIGERATOR CAR INSULATIONS ARE JUDGED

Current Railroad Questions

Would Extending Rail Credit Period Help Rail Sales?

The first group of letters below concludes our discussion of an extended rail credit period. This subject was first discussed here on September 29 (p. 50). Additional material appeared November 3 (p. 12).

Our second question is somewhat theoretical: the new type of freight rate in which no allowance would be made for the susceptibility of the commodity to loss or damage and carrying no claiming privilege is not legal under existing law. However, our correspondent who suggested the question points out that Parcel Post already has this kind of rate, since insurance is provided for an additional fee. He feels that a similar no-claim rate for private carriers is worth considering. Here are some railroad opinions. We'll have more in a later issue . . . *G.C.R.*

'Of Some Advantage to Shippers'

"I believe I can best answer the question by referring to a reply dated April 29, 1958, made for the rail carriers in Official Territory to petition of certain Southern Lines for modification of the outstanding order of the ICC in Ex Parte 73.

"The question asks if rail traffic men work at a disadvantage in selling rail shipment, and in this reply it was stated that the carriers have not experienced any need for an extension of the credit period.

"As to the present method being of any advantage to the railroads, statement was made in this reply that it was estimated that two Official Territory railroads would have additional outstanding charges approximating $14 million if the credit were extended to 120 hours. It probably would be of some advantage to the shippers if the credit limit were extended.

"As to whether or not additional working capital would be required, the fact that $14 million would be outstanding in charges makes this obvious. If the limit were extended, there probably would be some reorganization of traffic and accounting procedures necessary to meet any adjustment.

"All of this is in the answer to the commission as above indicated."—*J. W. Phipps, Jr., vice president-traffic, Baltimore & Ohio.*

'Should Be Extended'

"We favor an extended credit period for the payment of railroad freight charges. Many large national organizations have concentrated clerical and accounting activities and handle freight payments for branch houses and are handicapped in meeting current railroad credit requirements. A great deal of paperwork could be saved by them if they were permitted to pay weekly or semi-monthly, and they would additionally have much better opportunity to pre-audit bills before payment, thereby reducing costly handling of overcharge and undercharge claims. The advent of trailer-on-flat-car traffic makes it increasingly desirable to have the same credit period as the motor carriers.

"An extended credit period would be a burden on the carriers at the outset because it would lessen working capital, but the situation would right itself in time. There would be some necessary accounting department adjustments which would not be prohibitive."—*G. R. Glover, vice president-traffic, Burlington Lines.*

Would a 'No-Claim' Freight Rate Reduce Damage Losses?

"The answer to your question must, perforce, be in the affirmative. It is obvious that if it were possible to establish a rate, and if shippers used such a rate—absolving the carriers from all claim liability—the end result would be to reduce the carriers' freight claim bill. This answer, of course, ignores the legal aspects of the matter.

"I doubt if there would be any interest in such a rate unless it were made so low that the margin between cost of transportation plus insurance would be of considerable interest to the shipper. I question the feasibility of tying any such rate in with the use of special dunnage or car equipment. That would probably lead to a demand that the carriers furnish dunnage or car equipment, which, when coupled with the necessarily low measure of the rate, might leave the traffic unremunerative.

"These, of course, are my own views."—*C. E. Lanham, general superintendent of transportation, Gulf, Mobile & Ohio.*

•

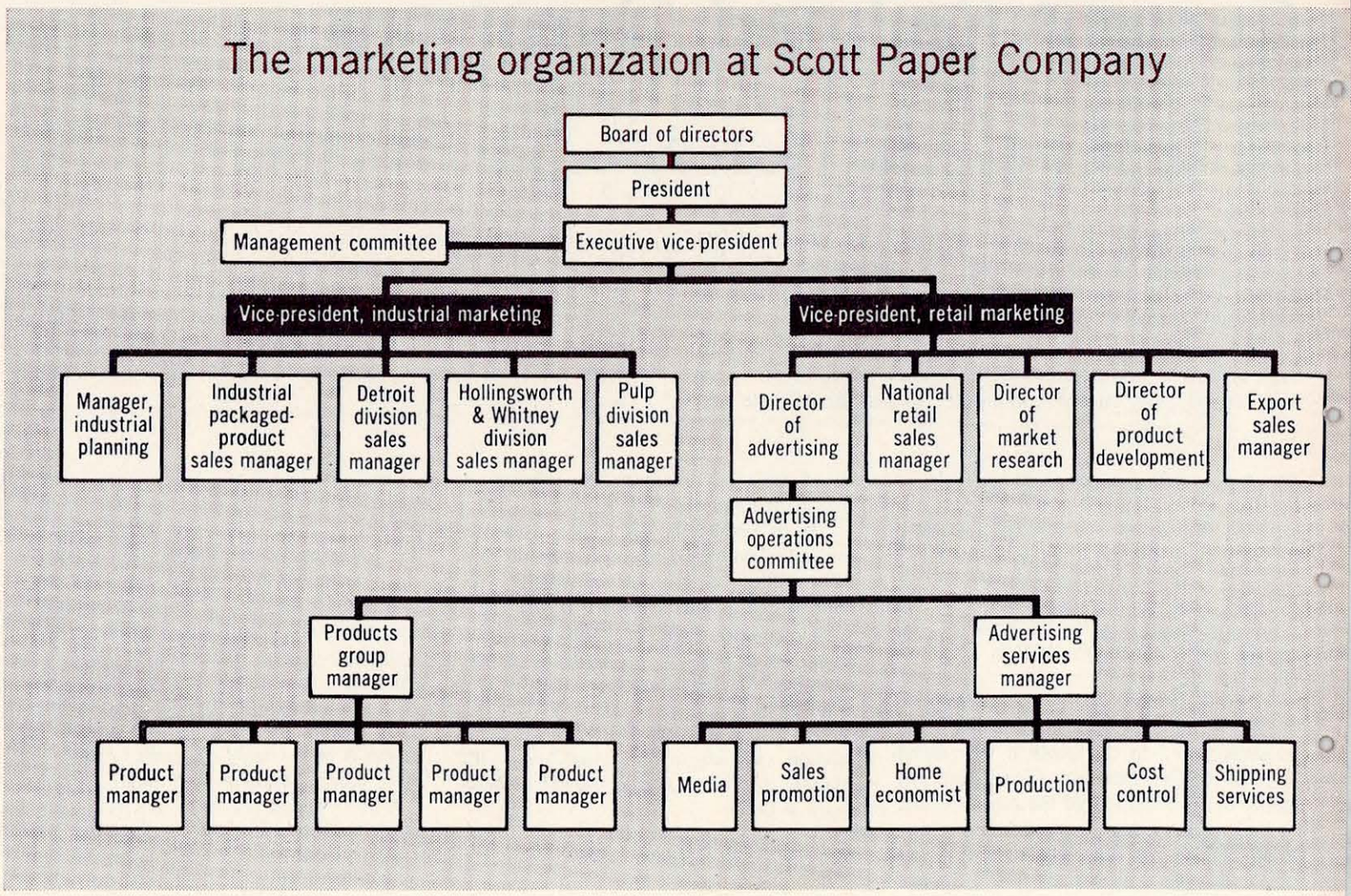
"In regard to the question, 'Would a new type of freight rate, in which no allowance was made for the susceptibility of the commodity to loss or damage and carrying no claiming privilege, help to reduce the freight claim bill?'

"I have discussed this matter with our law department. I have been informed that a common carrier does not have the right to exempt itself from its liability in connection with damage to freight that occurs when the shipments, moving under standard form bill of lading, are in its possession.

"It can limit its liability to the extent of a declared valuation on the part of the shipper.

"I am sure there are many classes of shipments where the shipper can be of much help in controlling damage by better packing. Both the rail carriers and shippers have made great strides in this direction—the shippers in using proper packages designed to prevent damage, and the carriers in designing cars such as compartmentizers and DF cars."—*I. O. Lawrenz, freight traffic manager—rates, Chicago & North Western.*

CONDUCTED by G. C. RANDALL, district manager, Car Service Division (ret.), Association of American Railroads, this column runs in frequent weekly issues of this paper and is devoted to authoritative answers to questions of interest to railroaders at all levels of responsibility. Readers are invited to submit questions and, when so inclined, letters agreeing or disagreeing with our answers. We will pay $10 for questions suggested by readers, which are used in this column. Communications should be addressed to Question and Answer Editor, Railway Age, 30 Church Street, New York 7.



GEARED FOR TOTAL SELLING—This chart shows how one modern company stresses the marketing idea.

Sales Revolution on the Way?

The new concept of marketing is something railroads should explore more than they have so far. The concept, basically, calls for determining the customers' needs, then seeing that the needs are satisfied—at a profit.

No trend in business has captured more attention, particularly in the last 18 months of recession, than the new concept of marketing.

The idea is something railroads should explore—more than they have so far. Now is the time to reexamine present sales practices; to consider, in fact, whether your company is as customer-oriented as it should be in these competitive times.

For marketing, as it's understood and practiced by companies like Sinclair Oil, Scott Paper, McGraw-Edison, Koppers Co., and scores of others, is fundamental. Satisfaction of customer needs and desires, at a profit, is the overriding concern of all business management.

The Transportation Act of 1958, with its promise of greater pricing freedom, gives rail management new opportunity to start in this direction. Some steps are being taken already—especially in market research. But to take maximum advantage of the new act, and to merit even greater freedom in the future, a lot more can be done.

The first step is to understand what marketing means, that it is a fundamental way of doing business and not merely a method of organization. It can be argued, of course, that the concept isn't new at all, but is merely a full-circle swing back to the customer-to-company relationship that existed before mass production and national markets.

As business grew in size, the gap widened between top management and the customer. Now the job is to close the gap. It's being done in automobiles, in appliances, in toothpaste, even in banking.

Adoption of the idea is not easy, however. Some companies take up to five years to get it across. And to a railroad it could mean an expanded role for the whole traffic department—including some regrouping of functions traditionally lodged in other places in the company.

Railroads may well be on the brink

of this kind of sales revolution. The prospect of changing the organization to bring this about should cause little anxiety. On most roads, however, it would call for some basic changes in the relationship between operations and sales.

This, in itself, might be less of a problem than generally supposed. Today's operating officer is more traffic-minded than he sometimes gets credit for. The superintendent who once spent full time getting trains across his division now spends at least part of his time calling on shippers.

Concern with Customers

Evidence of this operating department concern with customers is not hard to find. One southeastern road has virtually quit running "extras." Now, if tonnage builds up before normal departure time, a crew is called and the train gets away as an "advance" section. Last-minute cars follow on the regular schedule.

And listen to what one general manager told a Railway Age editor not long ago: "What we're really doing in this business is selling a service that the traffic department has nothing to do with. We're too production-minded; the sales people ought to have more to say about what the customer needs and what he will buy."

Forward-looking operating executives, like this man, probably wouldn't be hard to persuade about the value of the marketing idea. To some extent, they have adopted the philosophy already. As a general traffic manager put it the other day, speaking of his own road: "We get along fine with our operating people. We have a lot to say about service and schedules, and, after all, our schedules aren't made up out of thin air. We sometimes think we should have a bigger role maybe, who doesn't, but I have no real complaints with our present setup."

These may be isolated examples, but it's a 50-50 bet they aren't. As competitive problems have piled up, and the rail share of intercity ton-miles has shrunk to less than 50 per cent of the total, a lot of traditional ideas have been scrapped.

With railroad thinking at this stage, it is reasonable to believe the trend toward closer relationship with customers can and will be speeded. Adoption of the marketing concept, by that or any other name, would be recognition of certain conditions already existing—and it would likely generate the moves needed to carry such thinking to its **logical ends.**

No marketing men Railway Age has talked to disagree with the idea that the railroad sales could be upgraded to advantage. As one management consultant observed: "There is such a frontier here

"We cannot continue to peddle products or services . . ."

The door-to-door peddler sold what was given him to sell. But he was close to his "market" and he knew something: he knew what the customer wanted, and what he'd pay. The bigger business gets, the easier it is to drift away from this vital cause-and-effect relationship. Railroads, though, are fortunate; their salesman are out doing this job every day.

Edward Jennett, Division H

he serves regulated industries

Soon, as a result of a $100,000,000 expansion program, more than 75,000 additional families in the Chicago area will be heating with gas. This expansion is typical of the investor owned and tax-paying utilities in the Chicago area—gas, electric and telephone—which have budgeted construction expenditures in excess of $460,000,000 for 1958.

Edward Jennett, Vice President of The First National Bank of Chicago, will be following developments of these projects with great interest. He is head of Division H which provides financial service to the utilities industry.

Mr. Jennett can offer more than money. His 33 years here, 14 in Division H, have put him close to events affecting customers and their growth. As work goes on, he'll visit sites to see how accurately schedules are being met, and give financial counsel as freely as his customer desires. And where regulation exists he'll continue to be a vigorous campaigner for reasonable and realistic legislation.

Utilities men lose no time in getting down to business with Mr. Jennett; they know he speaks their language. The same is true with officers in each of the other 9 Divisions in our Commercial Banking Department.

Whether you're putting down pipeline or processing wood pulp, you'll find a particularly understanding service here. Why not get in touch with us soon?

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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

"Our bank has a specialist for most every kind of industry . . ."

Proud of its knowledge of customer needs, the First National Bank of Chicago has built an entire ad campaign about the team of specialists it employs. These men spend all their time learning, and knowing, about the industries they serve. When changes occur, when financial needs develop, the bank can react fast in its bid for business.

Continued on page 18 ►

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View of console inquiry station through Disk Memory Housing Unit of IBM 305 Ramac. This Ramac Disk Memory holds 5 million characters of storekeeping information available for instant processing.

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IBM 305 RAMAC®
CONTROLS INVENTORY LEVELS THROUGH AUTOMATIC REORDER SYSTEMS

The new IBM 305 Ramac data processing system strikes hard at costly inventory investment. With this "electronic storekeeper": you can centrally maintain your inventory on a fully automatic reorder basis. Shortages and excesses in authorized stock are quickly spotted. Emergency purchasing is drastically reduced and inventory levels are held down strictly within predetermined limits.

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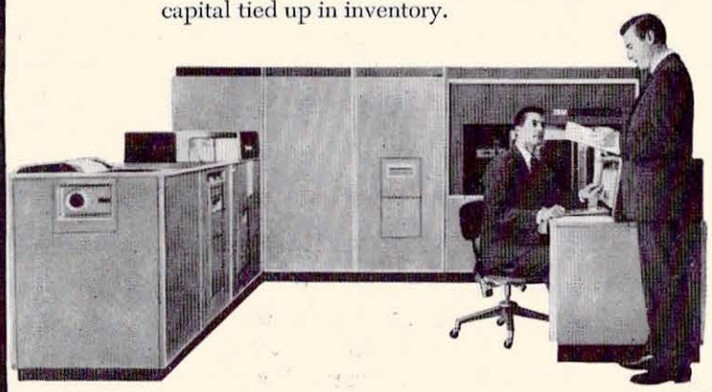
At the executive inquiry station you can determine current physical or dollar inventory balances at a moment's notice. "Flash" reports from the IBM 305 Ramac show day-to-day expense analyses by location and other cost control groupings. This information is available at all times for management use in comparing expense to budget. Also, IBM 305 Ramac's automatic pricing and extension features allow you to streamline accounting operations and trim excessive costs in handling inventory paper work.

Ask your IBM representative for a demonstration today. Have him *show* you where and how IBM 305 Ramac capabilities are related to your special storekeeping problems. Challenge him to *show* you how electronic storekeeping with IBM 305 Ramac releases capital tied up in inventory.



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SALES REVOLUTION ON THE WAY? (*Continued from page 15*)

[in marketing railroad service] that it floors you."

What other companies have accomplished in this area provides a suitable pattern for interested railroads to study.

General Electric, for example, has been working in this direction for several years. F. J. Borch, GE's marketing vice-president, described their operation in an American Management Association speech some months back:

"Full appreciation of marketing," Mr. Borch said, "demands an understanding of the two key fundamentals on which it rests:

"The first is . . . the dual core job of marketing. The initial part of this job is identification of customer needs and desires. Marketing can then take the lead . . . in determining what each function of the business should do by way of product and service to satisfy them. The other half of the dual core job is to persuade prospective customers through all the arts of selling and advertising to purchase the products or services.

"The second fundamental on which marketing rests is that it is rooted in the profit concept, not the volume concept." Volume remains a rewarding way of obtaining profits from efficiency, but what Mr. Borch rules out is the volume-for-the-sake-of-volume-alone concept.

From an organizational standpoint, GE's marketing function today includes these seven areas: market research, product planning, sales, advertising and sales promotion, product service, marketing administration and manpower development.

No one of these activities is entirely foreign to railroading. But it is the grouping, under an officer who ranks right at the top of the organization, that warrants study by railroad executives.

Take the single item of advertising and sales promotion. From one road to another, the job is handled well, handled poorly, or handled not at all. One reason may be that in the cyclical nature of railroading, advertising budgets often are looked upon as an out-of-pocket expense, not as a continuing investment. Under the marketing approach this would be less apt to happen. Most companies adopting the idea must consider advertising as an esential part of their program—and ad dollars are figured as an investment that pays returns over the long pull.

In looking at how far the marketing idea has come in the past decade, at the kinds of companies that use it, it's obvious the concept is no fad. It pays dividends—in more vigorous planning, in increased awareness of the customer, ultimately in a sturdier base for profit and growth.

Printers' Ink magazine had a special report on marketing a few months back. Here's how their editors summed up the value of such an approach to a company's competitive problems:

"Management faces a serious challenge to operate at a profit in a constantly shifting economy. Too many see only the threatening face of the challenge. They forget that challenge contains promise as well as peril. Those who recognize the promise will use the marketing philosophy and structure as a weapon to achieve the aim of any business: to earn a reasonable profit."

How Different Can the Railroads Get?

More than any other executive I meet, the railroad man is most earnest in telling me that his business is different. But I think this is largely true because he makes it different.

Our magazine, Sales Management, serves all industries, and our editors are in agreement that they know of no industry where selling is considered so unimportant as in the railroad industry.

The "marketing concept" is being applied by other industries. The concept is that in today's highly competitive economy, the customer is the boss. So these other industries use market research to find what the customer wants. Then the sales department tells the factory what to make and the price the customer will pay. Selling, service, promotion, advertising—all these then are integrated and operated under the direction of the marketing head who is, more and more, a member of the board of directors.

At last count, of 270 men who sit on the boards of the 19 largest railroads, none of them seems to be a traffic or sales executive. The men responsible for bringing in roughly $10 billions of revenue are not asked to the controlling councils of their companies. But among the 60 directors of the 4 largest airlines, all but one have their chief sales executive on the board. Yes, railroads *are* different.

Companies selling industrial products and services to other business men—a job similar to selling transportation services to shippers—spend on average about 2% of their sales volume for advertising. Airlines, now so dominant in transporting people, and daily becoming more important in carrying express and freight, spend more than 3% of their gross operating revenues for advertising.

The railroads spend slightly less than 3/10 of 1% for advertising. Railroads spend only one-tenth as much as the airlines, measured in each case against gross operating revenues. Airlines this year will spend more than the railroads in actual dollars for advertising. More people are being educated and reminded more often about airlines than about railroads. Yes, those railroad men who say their business is different, are right on the ball!

I assume that they must *want it* that way, since they don't have to wait for legislation or for ICC approval if they wish to "go modern" by putting more stress on the sales function. At least one railroad, the Atlantic Coast Line, is trying to turn its 13,000 employes into salesmen this fall. At the invitation of their dynamic young president, Tom Rice, I attended a 250-man "traffic conference" in Jacksonville last month that compared favorably with the better sales conventions of other industries. Can Rice be trying to be different in an industry which is itself so different?

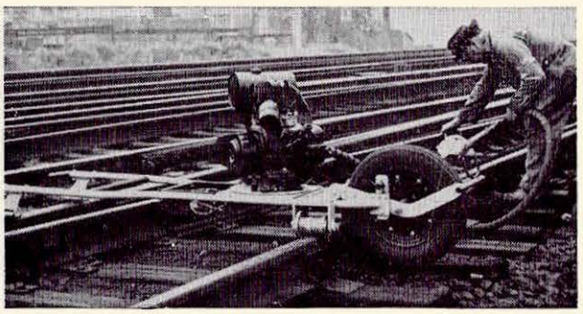
Philip Salisbury, *Editor, Sales Management*

Service More Track, in Less Time, for Less Money *with* RTW GRINDERS and DRILLS

RTW Grinders and Drills speed up your maintenance work—enable you to keep rails in apple-pie order without crowding your track gangs — and save you money, too. Three popular RTW machines are shown here. All are easy-handling, with quick on/and/off rail action.

MODEL P-44 PORTABLE FLEXIBLE SHAFT GRINDER, designed to give added savings in labor and costs when laying new track or repairing old.

Grinder's 360° swivel engine mount prevents short bends and kinking of flexible shaft . . . clutch assembly in the engine protects shaft from overload . . . three position wheel clears switches and crossovers eaily . . . quickly adaptable for auxiliary equipment: Straight Hand Wheel Piece, Angle Hand Piece for Cup Wheel, Cross Grinder Guides and Track Drill.



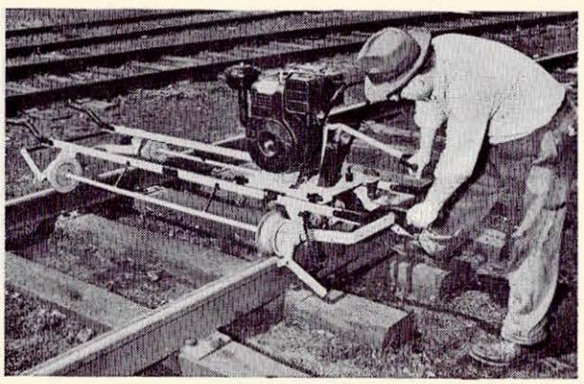
MODEL P-44

MODEL P-11-S PORTABLE CROSS GRINDER, a real time saver for removing overflow metal at rail ends as well as cross grinding behind welding crews.

Grinding wheel spindle and gasoline engine pivot 360° —you work both the rails with only one grinding head. Equipment mounted on transverse carriage which operates on ball bearings running on steel guides.

Pivoted foot clamping device with automatic release holds grinder firmly against rails during slotting.

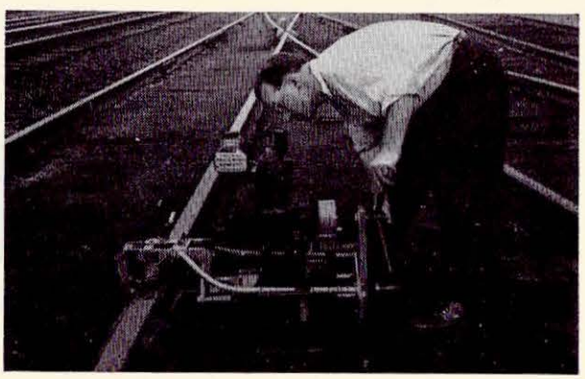
Hinged and coil-spring-mounted handle for feeding 8" grinding wheel permits easy operation, any depth of cut.



MODEL P-11-S

MODEL P-43 POWER TRACK DRILL gives you 60-second drilling—quick, accurate drill-levelling—easy-acting, easily-controlled screw feed — easy-handling (aluminum castings keep weight down to 125-lbs.) . . . chuck jaws that take beaded tips up to 1½" and automatically stay open when chuck is loosened.

Telescopic extension on rail head bracket for drilling at heel of switch. Levelling device gives perfect alignment for drilling holes through angle bars and bare rails.



MODEL P-43

Investigate these and other cost-saving RTW track maintenance machines—write for literature

Railway Trackwork Co.

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Specialists in Track Maintenance Equipment.

Switch Grinders • Cross Grinders • Surface Grinders • Rail Drills • Cross Cutters • Bit Sharpeners • Tie Nippers • Grinding Wheels • Tie Handlers • Track Liners

ICC Accident Investigation

Man Failure Blamed in CNJ Wreck

At approximately 9 a.m., September 15, a five-car passenger train on the Central of New Jersey was involved in an accident at a lift span bridge across Newark Bay—near Elizabethport, N.J. Forty-eight persons were killed, and 48 others injured. Below are extracts from the ICC report on the accident. The report was released November 7.

Location of Accident and Method of Operation: This accident occurred on that part of the Central Division extending between Woodbridge Jct. and Jersey City, N. J., 20 miles. Elizabethport is located 10.43 miles east of Woodbridge Jct. That part of the railroad extending between Woodbridge Jct. and Elizabeth Ave., 9.52 miles, is designated as the Perth Amboy Branch.

In the vicinity of the point of accident the railroad consists of a 4-track line. The main tracks from north to south are designated as No. 4 westward, and Nos. 2, 1, and 3. Trains moving with the current of traffic on track No. 4 and in either direction on the other main tracks are operated by signal indications . . .

Between Elizabethport and West 8th Street, Bayonne, N. J., 2.93 miles, the main tracks span two channels of Newark Bay on a bridge 1.40 miles in length designated as the Newark Bay Bridge. The west end of the bridge is located 1.04 miles east of the station at Elizabethport. The bridge is provided with four lift spans which can be raised to permit the movement of water-borne traffic through the channels . . .

Tracks Nos. 1 and 3 are laid on the southwest and southeast lift spans, and tracks Nos. 2 and 4 are laid on the northwest and northeast lift spans. DY interlocking station is located on the bridge between the westerly and easterly lift spans 2.01 miles east of the station at Elizabethport. FH interlocking station is located 1.20 miles west of DY interlocking station. A split switch-point derail is provided in the north rail of track No. 1 at a point 490 feet west of the west end of the southwest lift span and 1.85 miles east of the Station at Elizabethport. It is facing-point for eastbound movements. In the event that an eastbound train proceeds over the derail when it is in open position, the equipment of the train will become derailed to the north. The accident occurred within interlocking limits at the derail on track No. 1. Track No. 1 is tangent throughout a distance of 1.11 miles immediately west of the point of accident and a considerable distance eastward. The grade is level at the point of accident . . .

The track structure of track No. 1 in the vicinity of the point of accident consists of 131-pound rail, 39 feet in length, laid new in 1945 on an average of 29 treated hardwood bridge ties to the rail length. It is fully tieplated with double-shoulder tie plates, single-spiked and is provided with 6-hole 39-inch joint bars. Inside and outside guard rails are provided for each running rail and extend throughout the length of the bridge. The inside guard rails consist of 135-pound rail located 10 inches inside the rails. The outside guard rails consist of 6-inch by 8-inch timber located approximately 13 inches outside the rails.

Semi-automatic signal L48, governing eastbound movements from the Perth Amboy Branch through FH interlocking to track No. 1, is located 1.32 miles west of the point of accident. Automatic signal 82 and semi-automatic signal R26, governing eastbound movements on track No. 1, are located, respectively, 3,195 feet and 70 feet west of the point of accident. These signals are of the color-light type and are continuously lighted. Signals L48 and R26 are of the 3-unit type and display five aspects. Signal 82 is of the 2-unit type and displays four aspects. The aspects applicable to this investigation, and the corresponding indications and names are as follows:

DY interlocking is of the electro-pneumatic type. A model board is provided in the interlocking station on which track occupancy is indicated by the illumination of indicator lights. Approach, indication, and route locking are provided. Signal L48 is controlled from FH interlocking station. When the route is lined for movement from the Perth Amboy Branch through FH interlocking to track No. 1, signal L48 displays a Medium-Clear aspect, which is the most favorable aspect that can be displayed by that signal, provided the blocks of that signal and signal 82 are unoccupied. Signal R26 is controlled from DY interlocking. The controlling circuits are so arranged that when signal R26 displays a Stop aspect, signal 82 displays an Approach aspect, provided the block of that signal is unoccupied. Before the southwest lift span can be raised, signal R26 and the semi-automatic signals governing westbound movements through DY interlocking on track No. 1 and in either direction on track No. 3 must display Stop aspects, and the control levers of those signals must be in normal position. In addition, the signals in approach to those semi-automatic signals must display an aspect no more favorable than Approach, all derails in the tracks involved must be in derailing position with

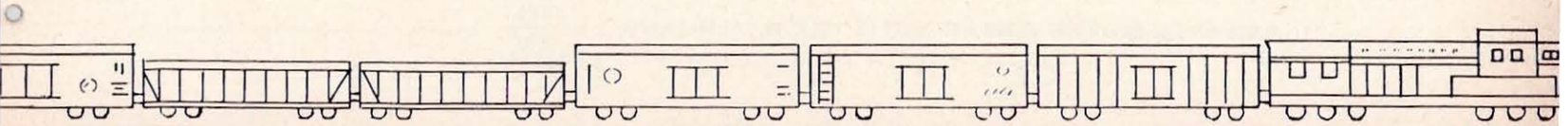
(*Continued on page 25*)

Signal	Aspect	Indication	Name
L48	Red-over-green-over-red	Proceed; medium speed within interlocking limits.	Medium-clear.
82	Yellow-over-staggered red	Proceed preparing to stop at next signal or block marker. Train exceeding medium speed must at once reduce to that sped.	Approach.
R26	Red-over-red-over-red	Stop.	Stop.

"TWIN STAR" PERFORMANCE-

WITH THE NEW PEERLESS T-1 DRAFT GEAR

The Draft Gear featuring twin arrangement of parts for better uniformity of operation, making possible high capacity and low terminal forces, assuring greater dependability in service.



PEERLESS EQUIPMENT

Division of Poor and Company

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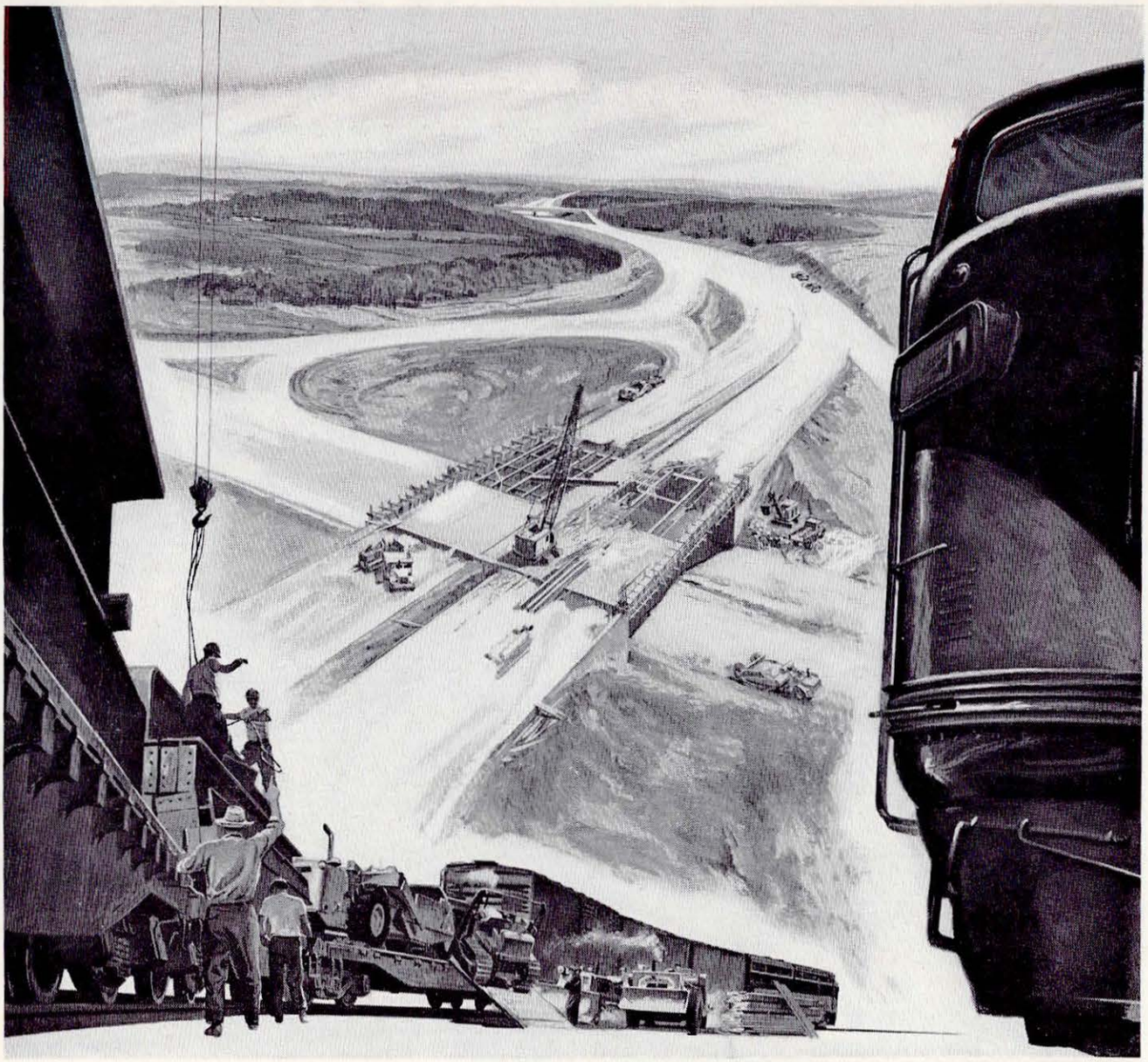


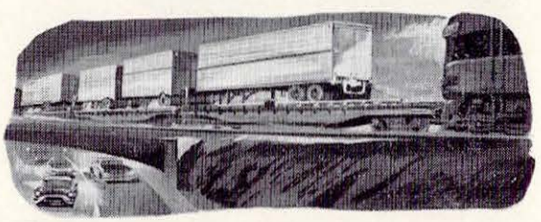
America's new superhighways unwind on rails of steel

Another example of how railroad progress goes hand in hand with U. S. progress

A spectacular part of America today is the network of Federal superhighways now under construction from coast to coast. And essential to this tremendous building project – carrying vast quantities of concrete, asphalt, steel, road-building machinery – are America's progressive railroads.

No other form of transportation can handle such big hauling jobs as this with the efficiency and economy of the railroads. And because this is so, the tax-paying railroads hold down expenses for all taxpayers – including you.

Ever-increasing efficiency enables the railroads to keep pace with the newest and most dramatic developments in our national life – a partnership in progress that is essential to every one of us, in peace as well as in war.



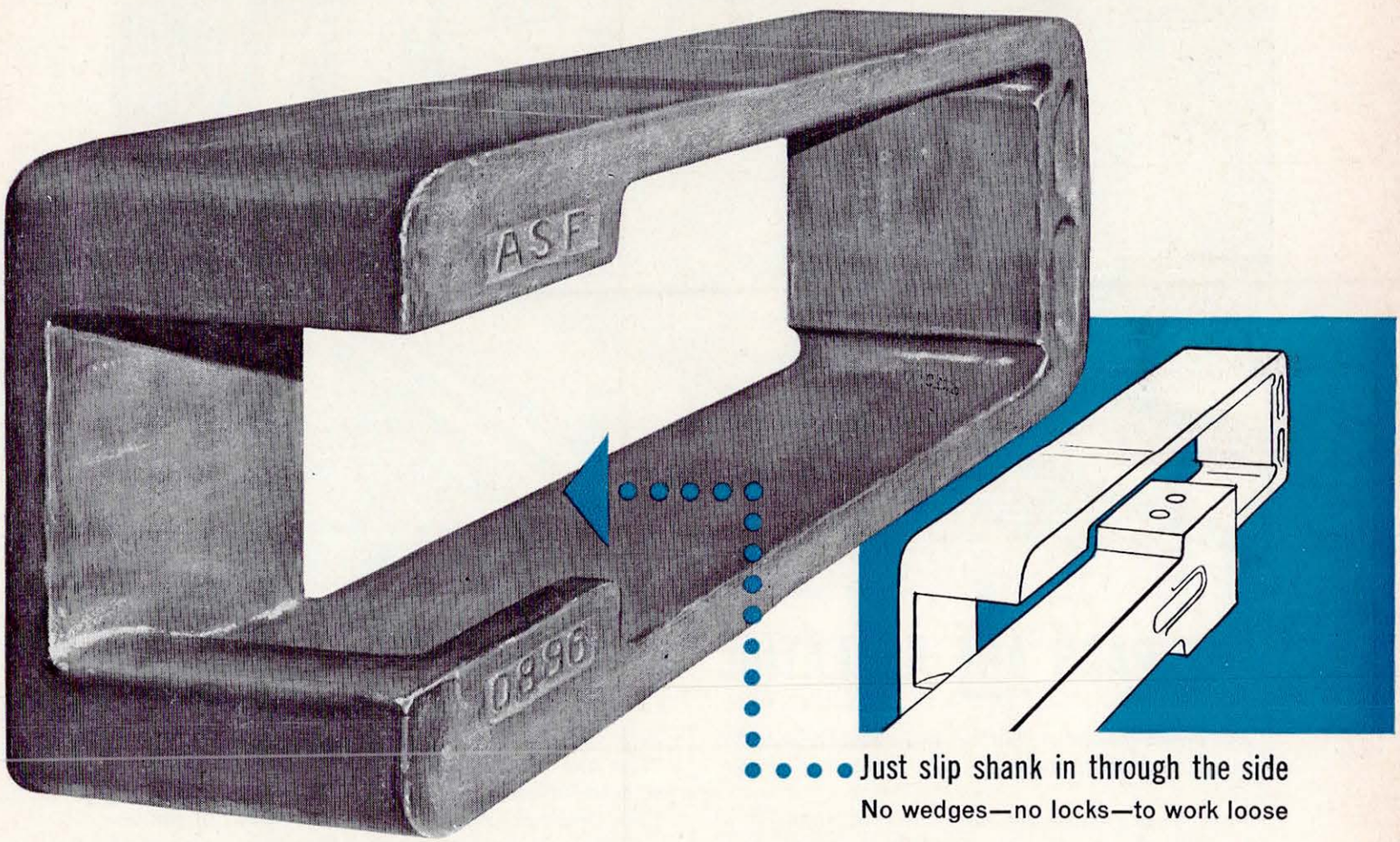
RAILROAD PROGRESS: *Highway trailers carried on railroad freight trains speed shipments, reduce highway congestion.*

AMERICA MOVES AHEAD WITH THE RAILROADS

Association of American Railroads, Washington, D. C.

ESSENTIAL TO THE NATION'S ECONOMY

NOW... an ASF one-piece keyless yoke*



Just slip shank in through the side

No wedges—no locks—to work loose

- A rugged, one-piece steel casting with a high margin of safety—fully meeting AAR strength standards.
- Now AAR Approved
  24⅝″ pockets—AAR Certificate No. B95
  18½″ pockets—AAR Certificate No. B96
- Simple in design—no wedges or locks, no parts to work loose.
- Quick, easy installation—just slip the coupler shank through side opening. No complicated assembly problem of forcing shank back far enough to insert wedge.

ASF

For the most practical replacement of riveted-type yokes . . . specify the

ONE-PIECE CAST STEEL YOKE

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AMERICAN STEEL FOUNDRIES

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*Patent Pending

Canadian Manufacturer and Licensee: International Equipment Co. Ltd., Montreal, Quebec.
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TIE PADS ARE ESSENTIAL — FOR INSURED ECONOMY

As a cost-conscious railroad man, you recommend expenditures *only* for *essential equipment* and *materials.*

OK. That's sound business sense, particularly in times like these.

We just want to emphasize that tie pads *are* essential materials. Especially when they're Bird Self-Sealing Tie Pads.

Actual in-track experience over the past 20 years has proved conclusively that Bird Self-Sealing Tie Pads extend the life of new cross ties at least 50%. On older ties which can be adzed down to provide a smooth surface on sound wood, Bird Self-Sealing Tie Pads *double* the remaining life expectancy of the tie.

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MAN FAILURE BLAMED IN CNJ WRECK (*Continued from page 20*)

their control levers in normal position, and the bridge and rail-locking devices must be released. * * *

Description of Accident: No. 3314, an eastbound first-class passenger train, consisted of diesel-electric units 1532 and 1526, coupled in multiple-unit control, 4 coaches, and 1 passenger-baggage car, in the order named. All cars were of all-steel construction. The first car was not occupied by passengers. This train originated at Bay Head Jct., on the N.Y.& L.B. line, and departed from that point at 7:28 a. m., on time. It passed Woodbridge Jct., 12:28 miles west of the point of accident, at 8:44 a. m., on time, entered the Perth Amboy Branch of the C.N.J., proceeded to Elizabethport, and was stopped at the station, 1.85 miles west of the point of accident. It departed from this point at 8:57 a. m., on time, passed signal L48, which displayed a Medium-Clear aspect, was routed to track No. 1, and passed FH interlocking station at 8:59 a. m., according to the dispatcher's record of train movements. It proceeded onto Newark Bay Bridge, passed signal 82, which displayed an Approach aspect, passed signal R26, which displayed a Stop aspect, and while moving at a speed of 42.5 miles per hour, as indicated by the tape of the speed-recording device, the locomotive and all cars of the train were derailed at the derail on track No. 1, west of the southwest lift span, which at that time was raised to permit passage of a vessel.

The locomotive and all cars of the train were derailed to the north and continued in line with the track until the diesel-electric units and the first three cars fell into the transverse opening in the bridge under the southwest lift span. Separations occurred between the diesel-electric units and at each end of the first three cars. The locomotive units and the first two cars stopped in various positions in the water of the west channel between the piers of the southwest lift span. This equipment was immediately submerged. The third car struck piling adjacent to the west pier of the southwest lift span as it fell from the track, and some of the appurtenances on the underside of the car became wedged on the tops of the piling. The car stopped with the front end submerged in the channel and the rear end on the pier. Approximately two hours after the accident occurred this car became dislodged, fell into the channel, and was completely submerged. The rear two cars stopped on the bridge in line with the track, with the front end of the fourth car 8 feet from the transverse opening under the lift span. The diesel-electric units were heavily damaged, the first 3 cars were destroyed and the rear cars were somewhat damaged. * * *

Diesel-electric units 1532 and 1526 are of the road-switcher type and are provided with 24-RL type brake equipment. Diesel-electric unit 1532, the first unit, was equipped with speed-control and ab-signal apparatus. These units were equipped with dual controls with an engineer's control station on each side of the control compartment. In normal operation the engineer operates the locomotive from the control station on the right-hand side in the direction of movement, and uses the instrument panel, and the brake and control stands which are then located in front of his position. An emergency brake valve is located adjacent to the door on each side of the control compartment. The angle cocks of the diesel-electric units are of the double-locking type with a spring-loaded latch which must be released before the handle can be turned to either open or closed position.

All cars of the train were equipped with UC type control valves.

Discussion: The operator at DY inter-

(*Continued on page 26*)

Railroading After Hours with Jim Lyne

COURAGEOUS GUESSER—Back in June 1888 the UP had a general passenger agent named J. S. Tebbets, who had the courage of his convictions. Asked by a St. Louis newspaper who was going to fill a vacancy as UP's general manager, he couldn't say for sure—but he hoped it would be Thomas L. Kimball, whose merits he praised highly. I read this report in the Boston Evening Record of June 9, 1888 (thanks to Al Cross of East Walpole, Mass., for the copy); and was curious to see whether Mr. Tebbets had guessed right. I checked the records and, to my relief (and doubtless also to that of Mr. Tebbets, at the time), I found that Mr. Kimball did, in fact, get the job for which Mr. Tebbets had nominated him.

CALL FOR STORIES—Last week I complained about the dearth of interesting and amusing anecdotes which have a distinctive railroad flavor to them. A timely holler, it turns out—because I now have a letter from the Railroad Community Committee at Boston, asking me to try to rustle up some stories for them. They'd come in handy for speakers at public meetings. Well, here are a couple which I hope will prime the pump:

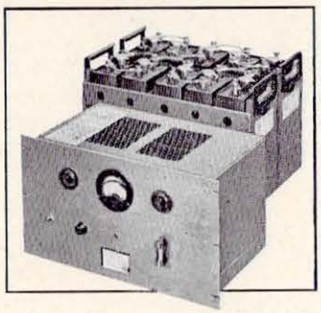
NO ABSENTEEISM—An advantage to employers from higher commuter fares came to light the other day. They cut down absenteeism, it seems. A secretary told her boss that she could no longer afford to take a day off at home, "because I waste too much money by not using my commutation ticket."

A friend of mine not along ago came out of a meeting where he had encountered something less than unanimity of opinion. "Sometimes," he said, "it seems to me that all we railroads have in common is standard gage."

THAT ELECTION—I don't suppose most railroaders are any more worried than I am at the outcome of the election—because the G.O.P. as a party has certainly been no more friendly to the railroads than the Democrats. It's individuals, not party labels, that count. I voted loyally for my legislators who supported the new transportation act. The two results that most disappointed me were the defeat of John Bricker and the failure of repeal of the excess crew law in Arkansas. It's a shame that such laws ever got on the statute books in the first place. "Make work" practices are old fashioned. The newer and rapidly growing unions do not go for them.

SAY IT WITH PICTURES—I've heard a lot of kind words about the "Tomorrow's Railroad" article we published a couple of weeks ago— especially the photographs. The basic copy was by our traffic editor, Gardner Hudson. The moving train photographs were taken by Wally Abbey, our Western editor—who knew just what "shots" were needed. It's getting so, today, that a railroad scribe has to keep his camera as hot as his typewriter, because pictures often tell a story faster than words can. It's heartening that so many readers show they understand how our staff is working to live up to our "time saver" slogan.

No lighting failure here...



because there's emergency power here

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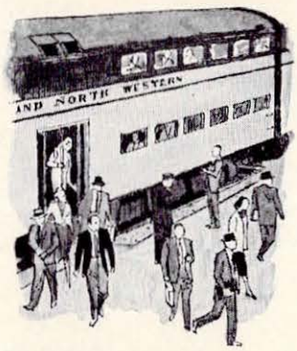
Because the Chicago and North Western Railway Company carries heavy commuter traffic on its "Superbanite" cars, and knows the value of dependable emergency lighting, management specified Edison Automatic Emergency Power Systems to avoid passenger inconvenience or injury in the event of temporary lighting failure.

This system consists of an ever-dependable 10-cell Edison battery and a fully automatic charger with power-failure relay. In the event of a/c trainline interruption, the relay automatically cuts in the battery to carry the emergency lighting load. When a/c power is restored, the battery is immediately charged at a high rate to fully charged condition. The Edison Automatic Charge Control then reduces the high rate to trickle charge—assuring that the battery will always be at peak capacity.

Get full details on the Edison Automatic Emergency Power System—or Edison storage batteries for stand-by power—from your local Edison representative. Or write Storage Battery Division, Thomas A. Edison Industries, West Orange, N. J. In Canada: International Equipment Co., Ltd., 90 Bates Road, Montreal, P. Q.



This gallery suburban car is rapidly gaining in popularity with both commuters and railroads. It seats 161 passengers comfortably, and gives a good ride at high speed.

Edison NICKEL–ALKALINE Storage Batteries

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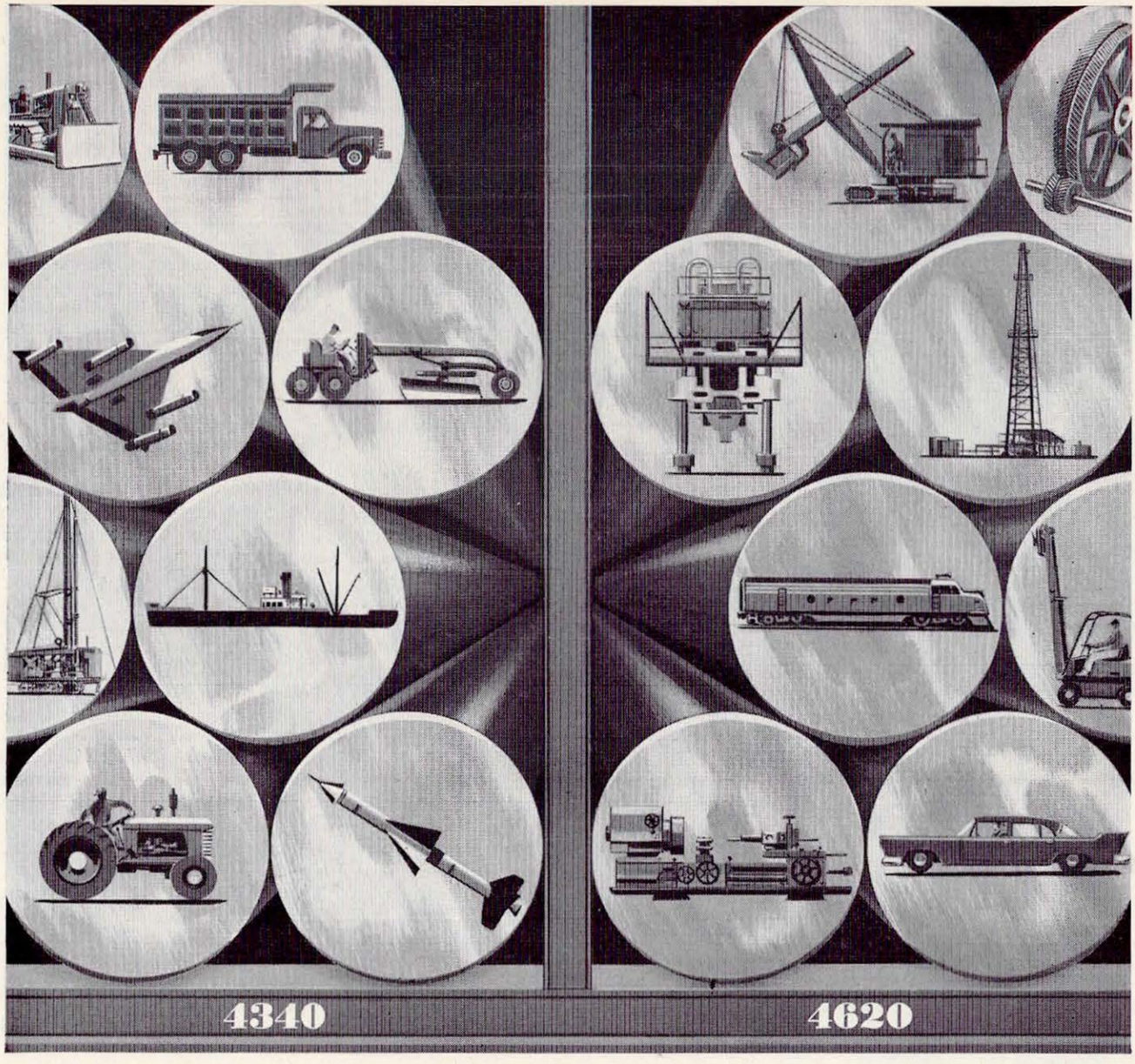
locking station testified that a few minutes before the accident occurred a signal was received from an approaching vessel which indicated that the lift spans of the bridge were to be raised for its passage. He said that he took immediate action to comply with this signal. At that time the lift spans of the bridge were locked in position for movements on the railroad. However, the normal indication of the semi-automatic signals, which govern movements over the bridge, is Stop, and the associated derails normally are kept in derailing position. It is the practice to clear the signals involved for each individual train only in advance of its immediate movement, and the semi-automatic signals then return to their normal or Stop indication and display their most restrictive aspect automatically after the first wheels of the locomotive of each such movement has passed the signal involved. In the instant case, under the conditions which existed at the time the vessel signaled for the bridge to be raised for its passage, signal R26 indicated Stop, signal 82 indicated Approach, and the derail on track No. 1 was in derailing position. The operator said that he manipulated the necessary levers of the interlocking machine and the bridge control apparatus, and when the required sequence of operations was completed he applied power and raised the lift spans over the west channel to a height of 108 feet above the water level. The bridge records indicate that the lift span involved was raised at 8:55 a. m. No. 3314 is scheduled to depart from Elizabethport at 8:57 a. m. The operator said that soon after the lift spans were raised he looked out the window of the tower to ascertain for his delay report the location of No. 3314 which he estimated from knowledge of its schedule should at that time be closely approaching signal R26. He said he then observed that the locomotive and the first car of this train already had passed signal R26. He was unable to take any further action to stop the train and, as he watched, it continued eastward until the locomotive and forward portion of the train fell from the bridge into the water of the west channel. The train dispatcher's record indicates the operator reported that the accident had occurred about 9:01 a. m.

The signals involved were inspected by members of the signal force of the carrier about 1 hour after the accident occurred and were found to be displaying the proper aspects. The instrument cases of the signals were then sealed until the arrival of the Commission's inspectors. In exhaustive tests of the interlocking, which were made under the supervision of inspectors of this Commission, no condition was found which could have caused or contributed to the cause of the accident . . .

Examination of track No. 1 after the accident occurred disclosed that there were no marks of wheels sliding or other indications of heavy braking on the rails

(*Continued on page 28*)



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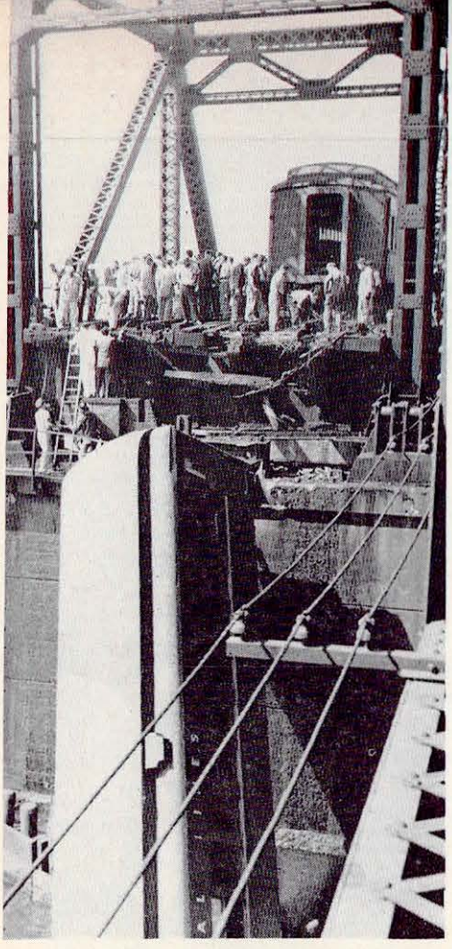
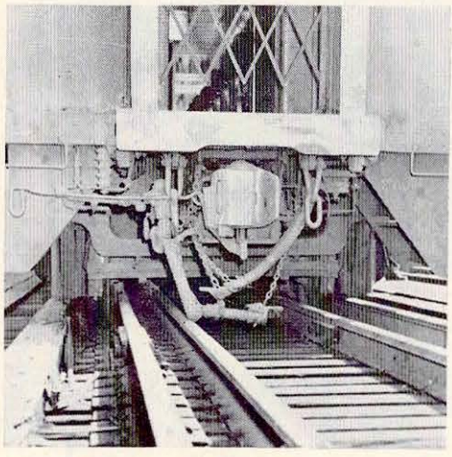
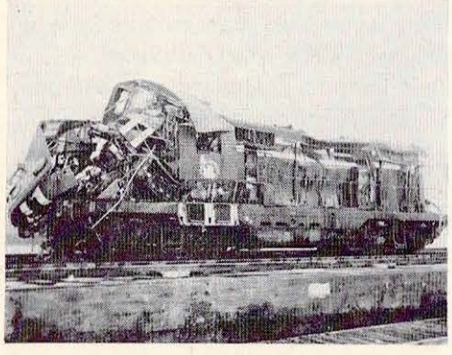


"The locomotive and first three cars fell into the transverse opening . . . third car stopped [with] the rear end on the pier . . ."



". . . Brakes on the [two] rear cars of the train were not fully applied until after the train became derailed."



". . . Automatic brake valve [in lead unit, above] was in emergency position . . . The throttle was in No. 2 position."

throughout a considerable distance west of the derail and the rails were not sanded at any point in this area. The first mark of derailment was a flange mark on a rail clip on the north side of the north rail 12 feet 1 inch east of the derail in this track. Eastward from this point tieplates, spikes, and joint bars were marked by derailed wheels. Beginning at a point 26 feet 4 inches east of the derail there were skid marks and burns on tieplates and spikes resulting from contact with sliding wheels. The first mark of derailment on the north side of the south rail was 23 feet 1 inch east of the derail, and 7 inches east of this point there was a flange mark on a tie where a wheel had dropped inside this rail. About 3 feet east of the initial mark there were indications of wheels sliding on the ties. Marks on the north sides of both rails extended from these initial marks to the transverse opening in the bridge. From the absence of any indication of heavy braking at any point west of the derail and from the flange marks, skid marks, and burns which were found on tieplates, spikes, joint bars and other parts of the track structure adjacent to the north rail and marks of companion wheels sliding on the ties adjacent to the south rail beginning at a point immediately east of the derail, it is apparent that the brakes on the rear cars of the train were not fully applied until after the train became derailed. Further, it is evident from these marks on the track structure east of the derail that the brakes of the rear cars became fully applied before any of the equipment fell from the bridge. This indicates that some member of the crew had initiated an emergency application of the brakes. From the location of the most westerly skid marks on the track structure it is apparent that the locomotive was closely approaching the opening under the lift-span at the west channel at the time this emergency application of the brakes was made.

Inspected at the Scene

The rear two cars were inspected at the scene of the accident about 45 minutes after derailment occurred. The brakes of both cars were found fully applied. After these cars were rerailed their brakes were tested and functioned properly . . .

Examination of the other cars of No. 3314 when they were removed from the water disclosed that the angle cock at the rear end of the first car and the angle cock at the rear end of the third car were broken off and were missing. The roof and sides of the first car were crushed and distorted apparently as a result of the second car falling on it. Both trucks of the first and the third cars were missing. The emergency brake or conductor's valves in the east end of the second car and in the west end of the third car were in open position. The wheels of the second car were examined and indications that the wheels had been sliding were found on the flanges of the wheels on the north side of this car. No slid-flat spots were found on the treads of any of these wheels.

Diesel-electric units 1532 and 1526 were coupled with the cab ends together, with diesel-electric unit 1532 as the first unit of the train. Both units were submerged in the west channel after the accident occurred. The first unit was removed from the water about 8:30 p. m., September 17, 1958, and the trailing unit was removed from the water about 1:30 a. m., September 18, 1958 . . .

Examination of Unit 1532

Examination of diesel-electric unit 1532 disclosed that at the engineer's control station on the right hand side in the direction of movement the automatic brake valve was in emergency position and the independent brake valve was in full application position. The throttle was in No. 2 position. The reverser handle was in position for forward movement. The rotair valve was in passenger position. The headlight switch was in position for illumination of the front and rear headlights. Brake-valve cut-out cocks were properly positioned. The emergency brake valves on both sides of the control compartment were in closed position and the pipe connection to the valve on the left side of the control compartment was broken. The brake-pipe angle cock at the rear end of unit was broken off and was missing. Examination of the wheels of this unit at Communipaw Engine Terminal disclosed slid-flat spots on the flanges of left Nos. 1, 2, and 4 wheels. These flat spots were from 4 to 5 inches in length and all were on the north side of the unit. No slid-flat or burned spots were found on the treads of any of the wheels of this unit. This indicates that the wheel sliding occurred after the equipment was derailed, as under ordinary conditions when the wheels are in normal contact with the rails, sliding of the wheels causes slid-flat spots or burns only on the wheel treads, which are in contact with the rails. In the instant case the slid-flat spots were found on those portions of the wheel flanges which came in contact with parts of the track structure after the derailment occurred and the marks on tie-plates, spikes, and other parts of the track structure corresponded with flange dimensions and locations.

Examination of diesel-electric unit 1526, the trailing unit, after the accident occurred, disclosed that all valves and control apparatus were properly positioned for operation of the locomotive from the first unit * * *

After the accident, the speed-recording device, which was removed from diesel-electric unit 1532, was tested with the calibrating machine at the carrier's

Communipaw engine terminal. With calibrating test-machine speeds of 8, 32, and 56 miles per hour, the corresponding speeds indicated by the device were, respectively, 7, 32, and 56.5 miles per hour . . .

Examination of a photostatic copy of the tape removed from the first diesel-electric unit of No. 3314 indicated that there was a shrinkage in the tape or the photostat. The photostat showed a decrease equivalent to a distance of ½ mile in the 22-mile portion, which was reproduced from the original. The locomotive unit from which the original was removed was submerged in the west channel for a period of approximately 35 hours after the accident occurred. The examination of this reproduction, taking into consideration the proportionate shrinkage, indicates that after No. 3314 departed from the station at Elizabethport the speed was increased to 32 miles per hour within a distance of approximately 2,500 feet to a point immediately west of signal L48. The train continued eastward at a speed of 32 miles per hour a distance of approximately 2,000 feet to a point about 400 feet east of FH interlocking station. The speed was then increased to 41 miles per hour for a distance of about 2,350 feet to a point approximately 500 feet east of signal 82 after which the speed was increased to 42.5 miles per hour and the train was moving at this speed when the derailment occurred at the derail immediately east of signal R26. Marks on the tape indicate that the wheels connected to the driving mechanism of the speed-recording device ceased to revolve and apparently began to slide at a point approximately 160 feet west of the transverse opening under the lift span. Other marks on the tape apparently were made after the accident occurred and may have resulted from movements of the tape incidental to its removal from the device, and are not germane to this investigation.

Brakes Functioned Properly

The investigation disclosed that on the day of the accident the brakes of the locomotive had been tested before it was dispatched on a westbound train from Jersey City and again when it arrived at Bayhead Jct. about 6:40 a. m. The brakes functioned properly and no exception was taken by the members of the mechanical force of the C.N.J. at Jersey City and of the N.Y.&L.B. at Bayhead Jct. who made the inspections and tests at these points. An initial terminal air-brake test was made before No. 3314 departed from Bayhead Jct. and no exception was taken by the car inspector who made the inspection. The flagman testified that a running test was made after the train departed from this point and that he sounded the proper communicating-signal response. En route, station stops were made at 16 points on the N.Y.&L.B. line and in each instance the brakes functioned properly. The surviving members of the crew testified that the brakes again functioned properly when the train was stopped at the station in Elizabethport a few minutes before the accident occurred. Under these circumstances it is evident that the brakes of this train were functioning properly and that they were being controlled by the engineer. Apparently the angle cock which was found in closed position on the second diesel-electric unit was closed either as a result of the accident when the units separated as they fell from the bridge or during the subsequent wrecking operations. After the accident the engineer's brake valve of the first diesel-electric unit was found in emergency position and an emergency brake valve (conductor's valve) was found in open position in the second car and also in the third car. The movement of any of these devices to the positions in which they were found would have effected an emergency application of the brakes of the train. It could not be determined in what sequence they were operated but this indicates that action was taken by members of the crew at three points in the train to apply the brakes. As the tape of the speed-recording device indicates that there was no deceleration of the train at any point between Elizabethport and the point where the accident occurred; it is evident that neither the automatic nor the independent brake was applied prior to the time the derailment occurred, that when the brakes were fully applied the front end of the train was closely approaching the transverse opening under the southwest lift-span, and that the locomotive and the forward portion of the train fell from the bridge before the speed had been materially reduced.

The Approach aspect displayed by signal 82 required that the speed of No. 3314 be reduced to one-half of the maximum authorized speed at this signal, or 22.5 miles per hour, and the rules further required that this reduction in speed be made in such manner that the train should not exceed the prescribed speed when passing the signal. The Stop aspect displayed by signal R26 required that the train be stopped before passing the signal and remain at that point until authorized to proceed. The enginemen of No. 3314 were killed in the accident and it could not be determined why action was not taken to control the speed of the train in compliance with the indications of these signals.

Post-mortem examination of the engineer and the fireman indicated that the engineer died of asphyxia due to drowning and that the fireman died of multiple fractures and lacerations resulting from the accident * * *

Locomotive 1532 is equipped with automatic cab signals, supplemented by an automatic speed-control device, for operation over the tracks of the N.Y.&L.B. Railroad, upon which an automatic cab-signal system is in service. If the track, not less than stopping distance in approach of the lift span, had been equipped with this system, and if the automatic speed-control device on the locomotive had been cut in and functioning as intended, it is probable that this accident would have been averted, or its disastrous consequences considerably mitigated. With this system in service, if the engineman had been incapacitated when the locomotive passed signal 82, in approach of signal R26 at the lift span, and had taken no action at that point, an automatic brake application would have been initiated by the device, and the train would have been brought to a stop short of signal R26 and the open lift span. However, if the engineman, upon passing signal 82 had taken action to control his train in obedience to the indication of that signal, he would have been required to reduce the speed to 20 miles per hour before passing the next signal or the speed-control device would have functioned to reduce the speed to that rate, so that under no circumstances could the speed of the train have exceeded 20 miles per hour upon passing signal R26.

Cause Is Pinpointed

It is also very probable that if movements over the bridge had been protected by an automatic train-stop system of any of the many types now in service, the accident would have been averted.

We find that:

1. The signals involved in the accident were operating properly at the time the accident occurred.

2. The locomotive and train-brake apparatus were functioning properly at the time of the accident.

3. The accident was caused by failure to operate No. 3314 in accordance with the indications of signals 82 and R26.

Proposed Alternatives

Recommendation: It is recommended therefore that the Central Railroad Company of New Jersey either extend the automatic cab-signal system supplemented with automatic speed control, with which some of its locomotives are now provided, so that the tracks over Newark Bay Bridge and at least stopping distance in approach of the lift span in both directions, will be equipped with such speed-control system which will be operative in conjunction with all locomotives hauling passenger trains over the bridge, or in the alternative that an automatic train-stop system, conforming to the requirements of the Commission in Ex Parte No. 171 (278 I.C.C. 267) be installed to protect all passenger train movements over the bridge.

CNR Puts New Stress on Job Skills

Performance appraisal on the CNR is taking a new turn. Emphasis is swinging away from the individual and more towards his work. Back of the change is the recognized need for greater concentration on actual work, less of a supervisor's personal characteristics.

By GEORGE N. DAFFERN
Manager, Personnel Section
Canadian National Railway

The Canadian National, which helped to pioneer performance appraisals on railroads, is revising its five-year-old program to place more emphasis on job performance and the improvement of leadership skills.

The new procedure will be installed initially on CNR lines in the United States. It will affect some 500 CNR officers and supervisors. Central purpose of the revision is to stress on-the-job practice as a means to improve supervisory performance.

One of the main drawbacks to proper appraisal of performance is the absence of reliable benchmarks. The revised CNR procedure encourages the setting of objective and acceptable standards. The old procedure brought to light the fact that a man's degree of initiative, the way he made decisions, analyzed, visualized, planned, organized and delegated duties, were the qualifications that made or marred his performance. However, it did little to encourage the improvement of such qualifications.

Under the proposed procedure, supervisor and subordinate will sit down together to question every phase of work done. The purpose of the conference is to make sure the work is helping CNR services, and that it's being done effectively and as economically as possible.

Guided by realistic job descriptions and organization analyses, such questions as these are to be asked about each job:

- Are all these duties being fully and satisfactorily undertaken? If not, which are properly covered, which are not?
- What improvement in the work can be effected? Perhaps some duties should be discontinued or changed; perhaps others should be added. Consider quantity, quality, time, etc.
- Along with such improvement, what changes are needed in methods, materials, equipment, budget and staff?
- What are the likely obstacles to improvement?

Other aspects of railroading such as cost control, customer relations, company relations, coordination and communications, delegating and supervising, and staff selection and training, also are examined. The following are typical of the questions used in this phase of the revised procedure:

Are budgets used realistically to keep down costs? For example, are differences between forecasts and actual expenses analyzed?

Are current operations continually reviewed to prevent unnecessary expense?

Are staff, equipment, materials, paperwork, telephones, overtime, etc., kept to essential requirements?

Are newcomers engaged for essential work only and not for empire building?

Does the employee engage in outside activities that will benefit CNR?

Are both seniors and subordinates kept sufficiently informed on all matters that affect them? Examples of such matters are potential business or service, objectives and plans, work programs, current performance, and personnel matters.

Are responsibility and authority delegated as far down the line as possible?

Are subordinates doing the jobs most suitable for them?

Change of Emphasis

The original Performance Appraisal program encouraged supervisors to concentrate on their subordinates' personal qualifications. In the future, discussions will center on actual performance. This change of emphasis, it is hoped, will help supervisors to dig out all the factors which cause inadequate performance, if any, rather than to assume such failures are always the result of the personal limitations of their subordinates.

Another important change is the swing away from almost sole emphasis on past events. Future emphasis will be directed more toward goals and plans.

This change throughout all levels of the company is expected to encourage what the president, Donald Gordon, has asked for—adaptation to the increasingly competitive environment and to the rapid changes in the technology of transportation. Each individual will be encouraged to think through with his immediate supervisor his work, the methods to be used, priorities, standards, changes, the assistance necessary from his supervisor, his own authorities and responsibilities, etc. With such clarifications and challenges, and with higher management playing its essential role—not least of which is fair recompense, in all senses of the term, for each individual—it is hoped that each employee will work as eagerly and as well as men usually do when in business for themselves.

Lastly, the success of these revised procedures depends on the willingness of management people to change or modify their traditional approach to the industry, to the company and to their work. This is no easy thing to bring about in the average CNR management man aged 48 years and with 33 years of comparatively sheltered employment. Therefore, meetings will be held across the system to bring home the necessity for up-to-date management and to explain how the new procedure is designed to encourage the application of modern management concepts and skills.

To sum up, CNR, to meet the challenge of the times, believes it has no problems that a keen, competent staff cannot cope with successfully. However, such a staff calls for first-class management, which in turn calls for an effective "modern management" development program.

Through its revised Performance Appraisal program, CNR is out to tap the reserves of "pioneering railroad" strength that still lie dormant in its management force. It is attempting to do this by bringing home to all management people the fact that a bright future for CNR—and themselves—lies not in the system, the equipment or the capital, but in their own efforts to keep the organization's efficiency abreast of the times.

FIRST PRINT of the new IC film is presented by Lex B. Harper (left), rules examiner, to R. O. Bodell, Chicago Terminal superintendent, before preview showing to terminal officers. The railroad is starting this new phase of training with four prints of the motion picture.

IC Moves into Movies For Rules Training

Road uses new, sound-color film to stress importance of safety in operations. IC employees are the "cast."

Illinois Central's Audio-Visual Services Department has come up with a new film expected to be an invaluable aid in training operating personnel.

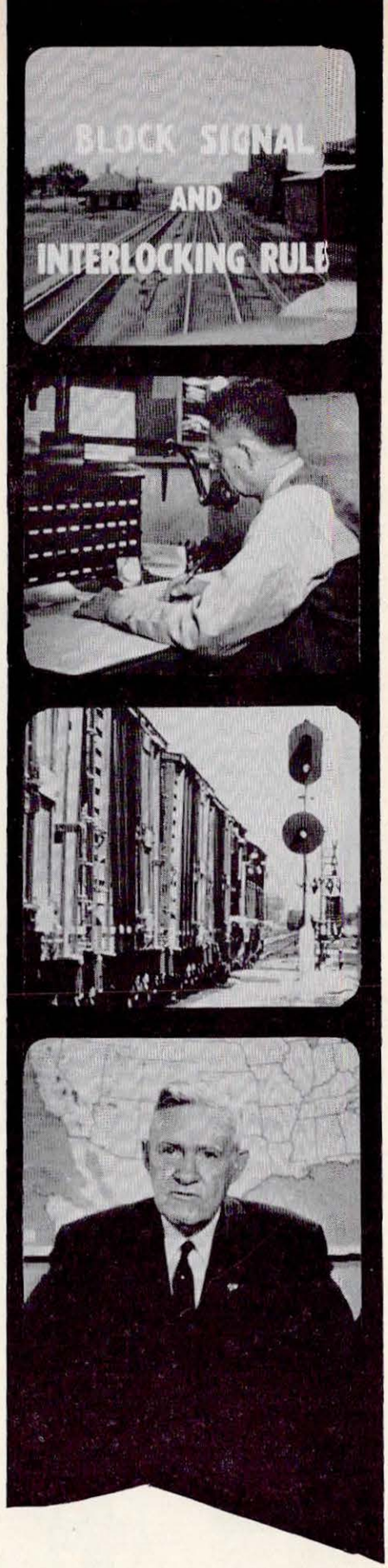
The 16-mm, 80-minute sound-and-color film is titled "Block Signal, CTC and Interlocking Rules." According to the IC, it's the first film of its type to be produced by a U. S. railroad.

Safety in operations is the overriding theme of the production. The film opens with two general notices: "Safety is of the first importance in the discharge of duty" and "Obedience to the rules is essential to safety." It closes with Rule 108: "When in doubt or uncertainty, the safe course must be taken.'

Ninety-five specific items are covered in the film. All are taken from the current Rules and Regulations of the Transportation Department. They consist of two general notices, 22 definitions and 71 rules and regulations. Lex B. Harper, IC rules examiner, will supervise use of the motion picture for instruction and examination of operating department employees.

IC began work on the film in 1954 (which accounts for the fact that an occasional steam locomotive shows up in the picture). Railroad employees are the "cast." Writing, narration and technical direction are by Albert S. Pitzer, retired rules examiner. John T. Hawkinson, manager of the Audio-Visual Services, Personnel Department, handled photography and direction of the production.

A unique feature of the film is a sequence showing train operation through 21 miles of CTC territory. The sound track is silent—the entire message for the trip is conveyed by block signal indication in the filmed scenes.

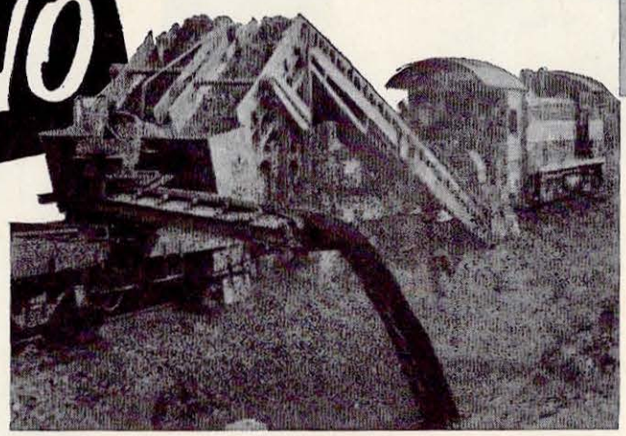


SCENES from the training film, which the Illinois Central believes to be the first of its type produced by a U. S. railroad, are shown in the first three frames above. Narration, writing and technical direction are by Albert S. Pitzer (bottom frame), retired rules examiner. Ninety-five specific items are covered in the film.

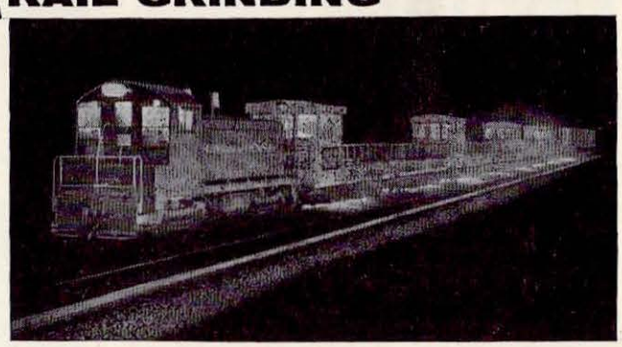
BALLAST CLEANING

Just Ask the Railroads That have used

SPENO BALLAST CLEANING



SPENO RAIL GRINDING



The repeat business which we have enjoyed through the years proves the value of our service and prompts our slogan.

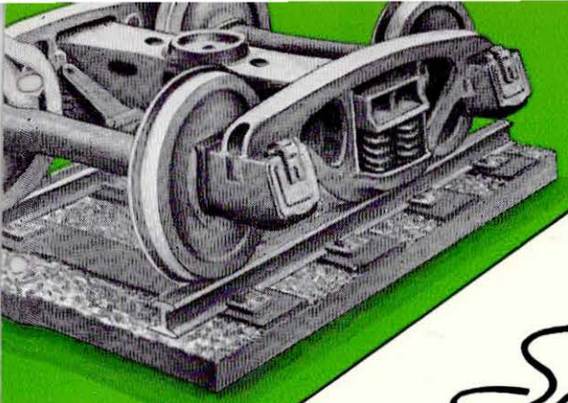
Just Ask the Railroads That have used us!

PIRI MEMBER

FRANK SPENO RAILROAD BALLAST CLEANING CO., INC.

306 North Cayuga St., Ithaca, N. Y.

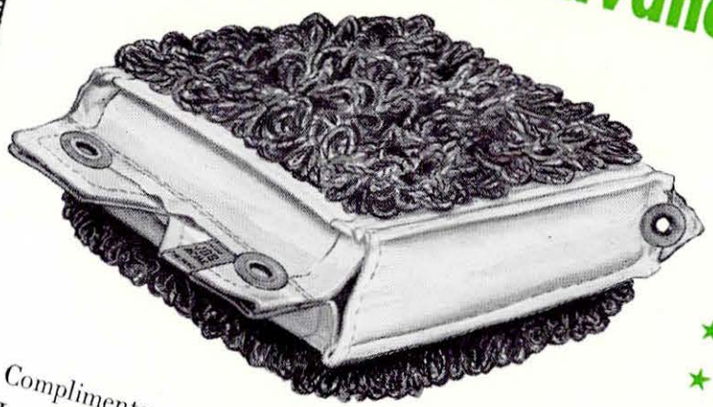
RAIL GRINDING



MEMO FROM THE GENERAL OFFICE

Jim—Still too many hot boxes Suggest using Acme Lubricators

The JBS ACME LUBRICATOR is a Positive Advance in Journal Lubrication



- ★ Retains 4 times its own weight in oil
- ★ Requires no modification of journal box
- ★ Wicks AAR specification car oil even in coldest weather
- ★ Assures better performance with less servicing
- ★ Cannot Glaze—Wool-cotton chenille loop surfaces
- ★ Has exclusive patented all-wool quilted core*
- ★ Reinforced for extra wear
- ★ Readily reclaimed

Complimentary reports are coming in from scores of railroads throughout America, Canada and Alaska using JBS Acme Journal Lubricators, a product of the Journal Box Servicing Corporation, that JBS Acme Lubricators are greatly reducing hot boxes in their operations. JBS Acme alone has the exclusive all-wool quilted core* which retains many times its own weight in oil reserve. Heavy chenille loop pile surfaces assure an ample supply of filtered oil at all times and prevent glazing. JBS Acme Lubricators are unaffected by temperature changes and wick AAR specification car oil even at 45° below zero in road service tests. JBS Acme Lubricators require no modification of the standard journal box, are designed to hold their position in the box, and assure better performance with less servicing.

Write Today for Information and Folder

GUARANTEED
Quality, Workmanship and Material as represented

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*Patent applied for

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SPEED:
Up to 8 Ties per minute!

RMC
SPIKE Master

Now . . . with
AUTOMATIC ADJUSTMENT
for track gauge variations

More effective now than ever—SpikeMaster is equipped with a Swinging Gun Mount which automatically adjusts for variations in rail gauge. Air cylinders keep flanged pilot wheels tight to the rail gauge, enabling swinging head to position guns positively over spikes—regardless of curvature or gauge inequalities.

SpikeMaster nips up the tie and drives four spikes—one on either side of both rails.

Write for New Bulletin SM-200

Railway Maintenance Corporation

PITTSBURGH 30, PA.

Organizations

ASME Railroad Division Meets in N. Y., Dec. 4-5

The Statler-Hilton, New York, will be headquarters for the sessions of the Railroad Division December 4 and 5, during the annual meeting of the American Society of Mechanical Engineers which begins Monday, December 1. The annual banquet will be held at 7 p.m., Thursday, December 4. The program for the Railroad sessions follows:

Thursday, December 4
2:30 p.m.

Progress in Railway Mechanical Engineering 1957-1958, by D. R. Meier, General Electric Co.

Glass Fiber Banding on Traction-Motor Armatures, by E. C. Appleby, Westinghouse Electric Corp.

The Economics of Reclamation of EMD 567 Engine Cylinders with Porous Chrome, by J. M. A. Van der Horst and Russell Ryles, Van der Horst Corp.

Friday, December 5
9:30 a.m.

Low-Carbon-Intermediate-Manganese Constructional Steel Castings, by R. D. Engquist, American Steel Foundries.

Use of Radioactive Tracers for Evaluation of Wear in Locomotive Diesel Engines, by P. V. Garin, engineer research and mechanical standards, Southern Pacific.

Diesel Lube Oils, Their Filtration and Effect on Engine Life, by Ray McBrian, director research, and L. C. Atchison, Denver & Rio Grande Western.

2:30 p.m.

Review of the Development of Draft Gear, by N. T. Olsen, Peerless Equipment, Division of Poor & Co.

Car Oil Development, by R. F. Meeker and D. C. McGahey, Texas Co.

Train Resistance Study, by W. M. Keller, vice president (research), Association of American Railroads.

The 1958 Gas-Turbine Progress Report (Railroad) will be presented at a Gas Turbine Power session at 2:30 p.m., December 3.

EL PASO TRAFFIC CLUB.—Officers elected for the coming year are: President, W. J. Fargason, Jr.; 1st vice president, Robert R. Roche; 2nd vice president, R. T. Eatman; secretary-treasurer, Harry G. Stratton.

RAILWAY PROGRESS INSTITUTE.—A feature of this year's annual meeting program will be the Industry Outlook Conference to be held in the East Ballroom of the Hotel Commodore, New York, at 2:30 p.m., on Nov. 20. Participating in the panel discussion will be: H. E. Warren, vice president—purchasing, Gulf, Mobile & Ohio; V. E. McCoy, chief purchasing officer, Milwaukee Road; Harold M. Hoffmeister, general purchasing agent, Missouri Pacific; C. F. Bayer, manager of purchases and stores, Lackawanna; J. S. Fair, general purchasing agent, Pennsylvania; and C. T. Crumrine, director, purchases and stores, Chicago & North Western. RPI President Holcombe Parkes, who will act as moderator of the Conference, will open the discussions with a brief review of railroad purchasing in recent years. A question-and-answer period will follow the formal panel round-table session.

Loomis Deplores "Distortion" Of Employee-Accident Data

Daniel P. Loomis, president of the Association of American Railroads, has urged officers of railroad labor organizations not to distort employee-accident figures for "selfish ends and political purposes."

Mr. Loomis made his appeal in a recent address in Washington before the International Assembly of the YMCA's Transportation Department. He was referring to the statement from the Railway Labor Executives Association which alleged a "big increase" this year in employee accidents. The RLEA statement compared 1957 and 1958 monthly figures which the ICC's Bureau of Transport Economics and Statistics does not consider comparable (RA, Nov. 3, p. 38).

MARKET OUTLOOK *at a glance*

Carloadings Dip 2.4% Below Previous Week's

Loadings of revenue freight in the week ended Nov. 8 totaled 658,086 cars, the Association of American Railroads announced on Nov. 13. This was a decrease of 16,391 cars, or 2.4%, compared with the previous week; a decrease of 17,493 cars, or 2.6%, compared with the corresponding week last year; and a decrease of 114,764 cars, or 14.8%, compared with the equivalent 1956 week.

Loadings of revenue freight for the week ended November 1 totaled 674,477 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CAR LOADINGS
For the week ended Saturday, November 1

District	1958	1957	1956
Eastern	97,433	107,545	127,924
Allegheny	117,534	135,205	153,524
Pocahontas	52,705	59,702	65,240
Southern	121,709	123,796	131,380
Northwestern	93,771	104,150	128,596
Central Western	136,518	130,427	133,674
Southwestern	54,807	53,169	60,019
Total Western Districts	285,096	287,746	322,289
Total All Roads	674,477	713,994	800,367
Commodities:			
Grain and grain products	66,918	51,231	55,886
Livestock	11,374	12,715	12,743
Coal	117,159	134,782	144,754
Coke	7,870	9,952	12,300
Forest Products	41,887	39,380	43,560
Ore	46,226	58,894	80,854
Merchandise l.c.l.	46,673	54,001	62,065
Miscellaneous	336,370	353,039	388,205
November 1	674,477	713,994	800,367
October 25	674,264	703,688	816,803
October 18	695,768	726,812	828,741
October 11	686,138	741,520	823,207
October 4	677,016	747,647	815,193
Cumulative total, 44 weeks	25,559,884	30,769,899	32,264,441

IN CANADA—The latest figures for Canada were not available when this edition of Railway Age went to press.

New Equipment

LOCOMOTIVES

► *Chihuahua al Pacifico.*—Ordered five 1,600-hp all-purpose diesel-electric units from Fairbanks, Morse & Co. Delivery is scheduled for first quarter of 1959.

► *Nickel Plate.*—Arranging to place orders for 35 diesel locomotives at an estimated cost of $6,500,000.

► *Rock Island.*—Directors authorized purchase of eight 1,750 hp GP-9 road switchers from Electro-Motive Division of General Motors at a total cost of $1,379,000. Delivery is scheduled for second quarter of 1959.

PASSENGER-TRAIN CARS

► *Illinois Central.*—Acquired eight lightweight sleeping cars from New York Central at a cost of approximately $100,000. The cars, all built since World War II, will be assigned to IC's "City of Miami." The purchase includes four 10-roomette, 5-bedroom cars and four 4-compartment, 4-bedroom, 2-drawing room cars.

FREIGHT-TRAIN CARS

► *Chesapeake & Ohio.*—Has ordered 50 70-ton 85-ft flatcars from ACF Industries. To be built at ACF's Berwick, Pa., plant, the cars will be delivered beginning in February. Cost: about $15,000 a unit.

► *Duluth, South Shore & Atlantic.*—Ordered 1 50-ton PS-1 box car from Pullman-Standard for delivery in December. Cost: $7,974.

► *Norfolk & Western.*—Has ordered 25 50-ton box cars from Pullman-Standard for delivery this month.

► *Rock Island*—Directors authorized purchase of 100 50-ft box cars from Pullman-Standard at a total cost of $890,000. Delivery is scheduled for first quarter of 1959.

New Facilities

► *Atlantic Coast Line.*—Has received ICC approval to replace a mechanical interlocking with an automatic interlocking at Emporia, Va. The ICC order pertains to a crossing of the ACL with the Atlantic & Danville. It provides for approach clearing of the home signals on the ACL, and approach release of electric locks on derails on the A&D.

► *Burlington.*—Placed in service four new high-speed crossovers between its three main-line tracks at Downers Grove, Ill. Eight power switches in the interlocking plant are controlled from the CB&Q at Cicero. The installation is the latest step in a signalling program designed to provide greater flexibility in train movements in suburban-service territory.

► *Canadian National.*—Has called for bids for the construction of two hump retarder towers, two hump offices and a switch tower at its new Cote de Liesse hump yard in Montreal. All five buildings will contain electronic equipment to control classification of freight cars. The five buildings will be of reinforced concrete and structural steel framework, faced with brick, and will be fireproof.

Are the Railroads Ready for War?

NDTA hears needs for preparedness: An easing of regulation in peacetime, more cooperation among competing forms of transport.

► **The Story at a Glance: Is transportation now in battle array, ready to absorb the traffic thrust of a defense emergency? The National Defense Transportation Association last week asked for an answer to that query from 10 men representing practically every phase of transportation. Their answers were far from unanimous.**

Two factors stood out, so far as the railroad industry is concerned: (1) The industry is ready to contribute fully to a complete mobilization effort, if such should be necessary. But regulation must be eased if the roads are to be maintained in peacetime for the potential traffic of wartime; and (2) more cooperation among competing modes of transport is definitely to be desired.

John W. Barriger, president of the Pittsburgh & Lake Erie, didn't hesitate to warn that the industry might have serious problems in the event of another global war. Railroad capacity was adequate for the needs of World Wars I and II, he noted—but a World War III, with possible demands of 1.25 trillion ton-miles and 150 billion passenger-miles capacity, would be a different story.

The railroads, he said, are in no position now to assume such a "completely stratospheric" traffic potential.

But, Mr. Barriger added, if regulation were eased to the point where the railroads could develop their peacetime traffic to two-thirds of wartime requirements, then the war emergency could be met.

Railroads have lagged in making technological advances, he pointed out, simply because sufficient capital hasn't been available. And only firm action by Congress and the ICC can ease the situation. What about the Transportation Act of 1958? Benefits to the industry, Mr. Barriger said, remain to be seen.

The big boost for coordination of transport forms came from Morris Forgash, president of Universal Carloading & Distributing Co. Transportation, he said, is indeed in battle array—but not, perhaps, in the best possible battle array.

Effective coordination of facilities and services of the transportation industry, Mr. Forgash declared, "is something we must do more about than simply to theorize. It is something we must actively encourage, and if there are impediments ingrained in the law they ought to be removed by the Congress. If it requires new concepts of administrative thinking or action, public support for change should become vocal.

"One way to achieve coordinated transportation is to develop reservoirs of interchangeable equipment and through use of such equipment to develop and encourage integration of services . . ."

What sort of interchangeable equipment? Mr. Forgash termed it the "flexible box car"—a cargo container equally at home on highway, railroad or waterway.

Such a unit of haulage, he indicated, would promote adequate equipment supplies, in addition to boosting coordination of service.

"If piggyback service should encourage diversification of ownership, not only of the flexible box car but of flat cars as well, the entire burden of car supply would not rest on the railroads. The burden would be partially assumed by shippers and by other carriers, and with the sharing of responsibility would come not only a better community of interest but a far more adequate supply of equipment."

The 1957 NDTA Award went to William T. Faricy, retired president and board chairman of the Association of American Railroads. Mr. Faricy was unable to attend the convention because of illness. The award was accepted for him and his prepared remarks were read by present AAR President Daniel P. Loomis.

Mr. Faricy's prepared speech appealed for action to prevent the freight car situation from drifting into the same state as has passenger equipment. Citing the spectacular railroad gains of the Soviets and the Red Chinese, it emphasized the need in the U. S. to make capital investment profitable in order to keep this nation's railroads up-to-date.

It suggested that an answer might lie in "accelerated amortization, which did so much to expedite the diesel program and the freight car supply from 1950 to 1957," or in an initially tax-free construction reserve or a more realistic depreciation allowance.

Railroad activity in relation to other transport modes also got these responses, during the course of the discussion at NDTA's annual convention in St. Louis:

- Gordon C. Locke, general counsel of the Committee for Oil Pipeline Companies, said his industry has no objection to and would even welcome more railroad-owned pipelines. Southern Pacific is the principal entry in the field now, but Katy and New York Central are moving ahead with plans for an LPG line and Wabash has expressed interest in leasing its right-of-way for pipelines.
- Walter F. Mullady, chairman of Decatur Cartage Company, indicated that the trucking industry would be glad to cooperate with the more successful and more forward-looking railroads in matters involving joint rates and through routes.

Rate Freedom: What's the Delay?

(Continued from page 9)

free enterprise, or is to rest with the Interstate Commerce Commission under some sort of government control concept that it knows more about running the railroads than the management elected by the stockholders."

The spotlight, Mr. Roddewig noted, is on the ICC. The railroads and their shippers are watching. So is the press. So is Congress. Commission action, AWR's president declared, "is going to determine whether the railroads are going to have an opportunity to function under free enterprise and regain their strength and vitality, or whether the railroads will have to continue to function under the system of political controls which has brought them to their present financial condition . . ."

Continuation of this restrictive control system, he warned, "will drive them [the railroads] in government ownership."

Present national transportation policies, he added, are leading the roads nowhere but down the road to nationalization.

The railroads, Mr. Roddewig emphasized, are going to have to continue to fight.

"This fight is going to have to be fought principally in the field of politics, because all of the remedies for our problems depend upon legislation . . . I suggest that the best way to save our industry, to save our jobs and to save our investments is to roll up our sleeves and go to work in the political arena."

Both the railroader and the representative also boosted the principle of integrated transport. Mr. Roddewig called attention to restrictive regulation hampering railroad efforts to diversify services. Rep. Harris suggested that the climate may be right for new examination of integration proposals.

"I do not advance the suggestion . . . as an answer to all the problems our common carriers face," he said, "but I do believe . . . that such a suggestion may have some merit" in view of:

- The complexity of any government

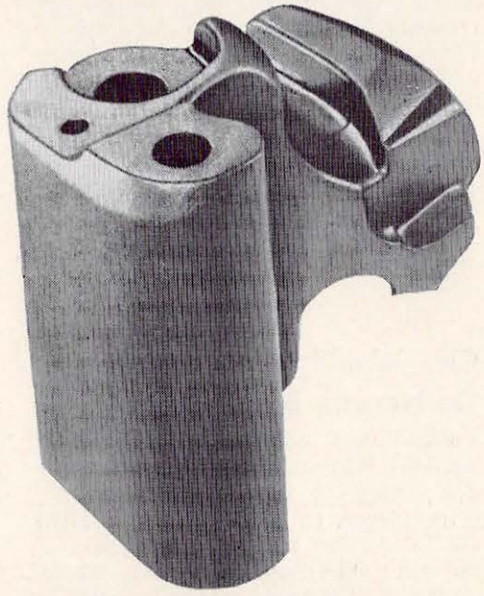
(Continued on page 38)

Now...ASF Palletizes Coupler Knuckles at No Extra Cost!

There's just no comparison between the new, trim, 24-knuckle pallet and the old, time-wasting heap of knuckles. Everything about palletizing makes handling easier.

Unloading is easy and quick, with crane, magnet or lift truck. Knuckles are firmly banded to pallets, which can be stacked safely and neatly to any practical height—saving floor space. At inventory, simply count the *pallets*—24 knuckles at a time.

Palletizing at no extra cost is another way of demonstrating how ASF is constantly looking for ways to cut *your* stores costs. Specify these easy-to-handle knuckles—in multiples of 24!



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Canadian Manufacturer Licensee: International Equipment Co., Ltd., Montreal 1, Quebec
Other Foreign Sales: American Steel Foundries, International, S. A., Chicago

Rail Rate Freedom

(Continued from page 36)

agency regulating rates while allowing some play to forces of competition among modes of transportation.

- The pressures upon common carriers to make rates tending toward the cost of service to meet the competition arising from a shipper's ability to operate his own transportation vehicle on public rights-of-way.

Meanwhile, speculation as to how the Interstate Commerce Act's new rate-freedom provisions might be interpreted were among "random reflections on transportation" which comprised a Nov. 13 address by Commissioner Tuggle of the ICC.

The commissioner spoke before the Railroad Transportation Institute in Chicago's Palmer House. He spoke for himself only, emphasizing this with a denial of a recently published report that the Commission launches "trial balloons" through addresses of its members.

As to the question of whether the Commission is precluded from giving any consideration to the effect of a rate proposal on a competing mode of transport, Mr. Tuggle noted that a specific prohibition against that approach was included in the original version of the rate-freedom provision as it came from the Senate's Surface Transportation Subcommittee. He went on to point out that the subcommittee's parent—the Committee on Interstate and Foreign Commerce—did not accept it; and that it is not in the final version of the provision which became part of the Transportation Act of 1958.

Looking over other phrases in the final version, and "assuming, but withholding judgment," that the act carried out the intention of the Senate committee, Mr. Tuggle made this comment:

"It would seem that some more consideration would be given the conditions surrounding the movement by the mode to which the rate applies than to conditions surrounding the movement by the competing mode."

The death sentence for "umbrella" rate making was identified by the commissioner as that part of the new rule which stipulates that "rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation."

CNJ Would Install Trippers On Newark Bridge Approaches

The Central of New Jersey last week requested Interstate Commerce Commission authority to install a system of automatic trippers on the approaches of Newark [N. J.] Bay Bridge. The trippers, of the type used in subway signaling, are designed to stop trains if they proceed in violation of signal indications.

The application follows recommendations made by the ICC and the New Jersey Public Utilities Commission as a result of investigation of the Sept. 15 accident near Elizabethport, N. J., which took 48 lives (RA, Sept. 22, p. 36).

The railroad also announced that it was proceeding with other PUC recommendations, including installation on passenger locomotives of so-called dead man controls which will be completed next month. Additional recommendations—some of which, the road says, conflict with regulations of other government agencies—are still under study. [A series of excerpts from the ICC's report on the accident is published in this issue, beginning on p. 20.]

People in the News

John D. Phillips
MMT

James J. Duffy
New Haven

AKRON, CANTON & YOUNGSTOWN.—Noel R. Michell, vice president, real estate and secretary, elected vice president, purchases and stores, and secretary. **Clifford G. Allen,** vice president, purchases and stores, assigned to special duties. **J. E. Savely,** assistant to president and manager of industrial development, appointed assistant to president and manager, real estate.

ASSOCIATION OF AMERICAN RAILROADS.—Ferdinand W. Meyer, Jr., Pacific Coast district representative, Freight Loading and Container Bureau, retired Sept. 30.

CANADIAN NATIONAL.— F. W. Somerton, operation assistant, Montreal, appointed assistant chief of transportation there, succeeding **D. M. Trotter,** named technical assistant, operation department. **A. C. Weaver,** transportation engineer, replaces Mr. Somerton.

David V. Jackson, auditor of freight accounts, Montreal, retires Nov. 30.

CENTRAL VERMONT.—C. H. Lockhart, superintendent of motive power and car equipment, St. Albans, Vt., will retire Nov. 30 and will be succeeded by **Delbert M. Bressette,** mechanical engineer.

CHESAPEAKE & OHIO.—Robert P. Van Voorst, district passenger agent, Cleveland, appointed division passenger agent, Columbus, Ohio.

H. J. Baker, superintendent car department, Grand Rapids, Mich., appointed general superintendent car department, Richmond, Va., succeeding **E. C. Ellis,** who retired Oct. 31. **H. M. Vise, Jr.,** assistant superintendent car department, Grand Rapids, promoted to succeed Mr. Baker. Extended jurisdiction of **J. C. Smith,** general master mechanic, Richmond, to include Hinton division.

CHICAGO, NORTH SHORE & MILWAUKEE.—C. S. Leonard, president of the North Shore and Susquehanna Corporation, resigned. **Harold G. Mason,** executive vice president, North Shore, named president of the road, to succeed Mr. Leonard. **J. Patrick Lannan,** chairman of H. M. Byllesby & Company, succeeds Mr. Leonard as president of Susquehanna.

MILWAUKEE MOTOR TRANSPORTATION COMPANY. —John D. Phillips, formerly vice president of the New York Central Transportation Company, appointed vice president, MMT, Chicago.

NEW HAVEN.—James J. Duffy appointed director—labor relations and personnel, New Haven, Mr. Duffy was formerly manager labor relations for the **Jersey Central,** Jersey City.

J. M. Finch, research analyst, New Haven, appointed assistant director of research.

W. J. Rohrer named manager equipment personnel, New York, succeeding the late **D. R. Craft. J. J. Ward** succeeds Mr. Rohrer as supervisor personnel—mechanical, New York.

RAILWAY EXPRESS AGENCY.—Henry J. Ridlehoover, assistant superintendent, Terminal division, Chicago, promoted to superintendent, St. Louis division.

OBITUARY

James M. Parramore, 66, retired assistant freight traffic manager, **Grand Trunk Western,** died Nov. 3.

Earl M. Curl, 64, supervisor of weight agreements and weighing, **Western Weighing and Inspection Bureau,** Chicago, died recently.

Supply Trade

Malcolm P. Parker has been appointed sales representative for **Leschen Wire Rope Division, H. K. Porter Company, Inc.,** at Charlotte, S. C. His territory will cover North Carolina, South Carolina and northern Georgia.

Walter E. Watson, vice chairman, **Youngstown Sheet & Tube Company,** Youngstown, Ohio, has retired. **Myron S. Curtis,** assistant to president, also has retired.

Walter D. Bjorseth has been elected secretary-treasurer of **The Pyle-National Company.** He was formerly controller of the **Marvel-Schebler Products Division** of the **Borg-Warner Corporation.**

T. M. Thompson, assistant vice president, **General American Transportation Corporation,** appointed vice president in charge of the Tank Car Leasing Division and elected to the board of directors. **J. N. Cordell,** assistant to the vice president, Tank Storage Terminals Division, named vice president in charge of the division and elected to the board.

F. C. Sweeney has been appointed district sales manager, Eastern district, Graybar Electric Company, Queens Plaza, New York.

T. M. Thompson

J. N. Cordell

Railroads Must Analyze Market

Raleigh, N. C.

To the Editor:

There is one very outstanding difference between the railroad industry and large manufacturing industries. The production department of the railroads informs the sales department the product it will get to sell and without a guarantee it will always be available even under normal conditions. In the manufacturing industry, the sales department and research staffs make a critical analysis of the potential market through customer relations. They inform the production department what products it will be necessary to sell at a profit. This is certainly the logical approach to the subject.

In today's competitive markets—and surely no market is more competitive than transportation—it is necessary to sell. In order to sell, you have simply got to have a product superior to your competitor's. In railroad selling we have heard entirely too often the phrases "rightful traffic" and "entitled to handle," etc. Make no mistake, the cost conscious industrial traffic manager has no place in his vocabulary for such terms in relation to a competitive market.

The average railroad traffic salesman would do well to study a little basic economics and marketing, in order to acquire understanding of customers' problems. Railroad management must understand, as other industries have, that to market a product profitably, it must be one that the customer wants—not just what the producer wants to sell to the prospect.

Emmett H. Durham

Pads vs. Waste

Cambridge, Mass.

To the Editor:

I found your recent feature, "Pads vs. Waste," (RA, Oct. 20, p. 12) a most commendable one. Certainly this is a very effective way to sharpen the insight of many who are not in direct contact with the hot box problem, but who nonetheless recognize the importance of the subject to everyone in the industry.

Spotlighting this controversy, as you have, the pads vs. waste argument should be a healthy thing. Perhaps you feel that your past reporting on this subject has been sufficient; my feeling is that the subject is so important it cannot be discussed too often.

A. S. Lang
Assistant Professor of Transportation Engineering
Massachusetts Institute of Technology

'A New High'

Detroit, Mich.

To the Editor:

We wish to congratulate you on your freight traffic issue of Sept. 29, 1958, especially for your editorial features. In our opinion, you have attained a new high in the publication of Railway Age. Please accept our compliments and our thanks for this valued service.

Thomas Sisum
Assistant Traffic Manager
J. L. Hudson Company

A Color Movie?

Baton Rouge, La.

To the Editor:

Your October 27 issue featuring "Tomorrow's Railroad" was very interesting and informative. I, for one, would like to see it made into a color sound movie of 30 to 45 minutes in length. It seems to me there is a real "story" in the drama of railroading and especially in the modernization of our railroad system. Too long the public has accepted the idea that the American railroads are doomed.

James G. Payne, Jr.
Assoc. Professor of Economics
Louisiana State University

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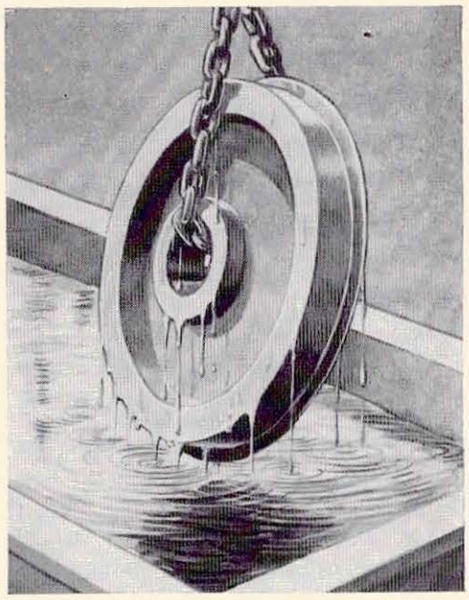

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You Ought To Know...

Substantial increases in the production of bituminous coal for 1959 has been predicted by George A. Lamb, manager of business surveys of Consolidation Coal Co. Making his forecast at a University of Pittsburgh conference, Mr. Lamb said the market for U. S. bituminous coal would probably increase to 450 million tons from 1958 production of some 421 million tons.

► Coal production in 1959 should rise at least 10 per cent over this year, according to Norfolk & Western President Stuart T. Saunders. Speaking before the Bluefield, W. Va., Rotary Club, Mr. Saunders predicted an increased demand from the steel and power industries, but an uncertain export situation.

International Railways of Central America has said that it would "consider favorably" an offer by the Government of Guatemala to purchase its properties in that country. Guatemala is attempting to sell state-owned farms with an estimated value of $150 million to obtain money to purchase and manage the U. S.-owned railroad (40 per cent of the common stock is held by United Fruit Co.). International Railways says its Guatemalan properties are worth about $68 million. A union demand for a 50-per cent wage increase plus fringe benefits in the face of money-losing operations has inspired the willingness to sell.

Lexington Union Station won't be converted into a parking lot quite yet. The voters rejected a proposal for the city to buy the now-abandoned station from owners L&N and C&O and turn the site into a 245-car parking area. The plan would have involved an overall $1,115,000 price tag, including $900,000 for purchase of the property. The terminal has been idle since L&N discontinued passenger operations into Lexington and C&O built a new combined passenger-freight station.

A 14 per cent increase in freight revenue ton-miles is predicted for railroads in 1959 by the Value Line Investment Survey. Taking into account highly leveraged capital structures and relatively inflexible operating expenses, the Survey sees an even sharper net income rebound: 1959 Class I earnings—it says—should be around $750 million, almost 50 per cent over 1958. The survey also sees equipment manufacturers "leading their customers out of the business slump." Credit for this is given to diversification, with nonrailroad activities accounting for 50 per cent or more of the suppliers' business.

A $75,000 machine that would clean and return ballast to subway roadbeds in one operation is planned by the New York Transit Authority. Similar machines in use on major rail lines have not been adaptable to the subways. The proposed machine would put the ballast in a shaker, separate the foreign material and return the cleaned ballast to the roadbed.

The strongest financial position in its history has been claimed for the Denver & Rio Grande Western by G. B. Aydelott, president. Mr. Aydelott pointed to a cash balance in excess of $27 million, with no immediate financing requirements. In a speech before the New York security analysts, Mr. Aydelott said that operating revenues this year should total about $77.5 million, may go to $83 million next year. He also told the analysts that D&RGW's experience with welded rail has been so successful that he expects all rail laid next year to be welded.

Commuters are taking advantage of the added train service provided by Philadelphia's "Operation Northwest" (RA, Oct. 27, p. 82; Nov. 3, p. 9). Comparing the first five weekdays with typical weekday periods under previous service, the Pennsylvania found a 7.4 per cent increase, the Reading was up 7.3 per cent. Weekend travel, however, showed a decline for the Pennsy, a rise for the Reading.

First 85-ft flatcar to come from Pullman-Standard's Butler, Pa., plant will roll off the assembly line late this week. The car is part of an order of 400 destined for Trailer Train (RA, Sept. 1, p. 27; Oct. 20, p. 31). P-S is also building 10 demonstrators to lease to roads interested in seeing how they work.

C&NW is cutting the Clinton-Council Bluffs, Ia., segment out of the route of passenger trains 3 and 4, which until Nov. 15 operated Chicago-Council Bluffs. The trains gave daytime service across Iowa—but Iowans didn't ride in any great numbers. Direct losses on the trains in the year ended Aug. 31, according to C&NW, was $434,000.

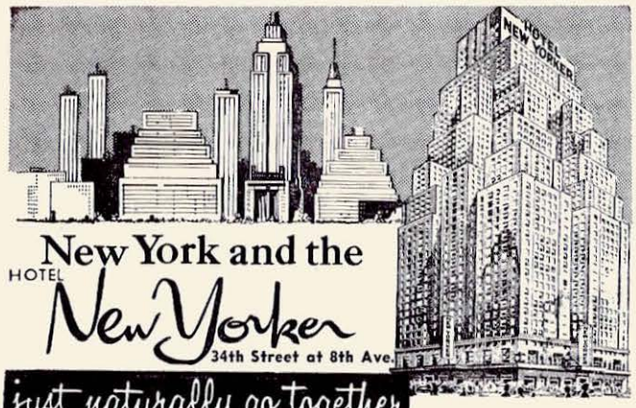
Great Northern has inaugurated a new 4,000-mile teletype network linking GN freight and passenger offices in 18 cities in the eastern, southern and midwestern U. S. and in Canada. The system interconnects with the road's on-line communications system and with teletype facilities on the West Coast. Major benefits of the network: speed in handling traffic and tracing reports and passenger reservations.

The Pennsylvania has installed snow-screen devices in its electric locomotives to prevent a repetition of last winter's experience when a fine, wind-driven snow short-circuited motors and disrupted service (RA, Feb. 24, p. 39). New Jersey's Public Utilities Commission has ordered the Pennsy to have the alterations complete by Dec. 1. But a Pennsy spokesman said the change had already been made.

Missouri's supreme court has turned down a bid by Cotton Belt 5 per cent preferred stockholders to participate in dividends after $5 a year has been paid on the common. An appeal for a rehearing is expected.

Rock Island's "T-Bone Special" has made its run from Audubon, Iowa, to Chicago, with some 60 cars of prize cattle for the seventh straight year. The stock was sold at auction Nov. 3, one day after arrival at Chicago. According to RI, it's a unique movement, in that cattlemen actually ride herd on their prize stock en route on special sleeping cars spotted in the same train.

The first and only self-discharging super-collier designed for ocean service has been put in use by Pocahontas Steamship Co. S.S. Consolidation Coal, the first of three such ships to be built for Pocahontas, is about twice as large as conventional colliers and can discharge at a rate about twelve times as fast as ordinary colliers.



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ADVERTISERS

American Hair & Felt Co. 12
American Steel Foundries 23, 37
Assocn. of American Railroads 22

Bird & Son, Inc. 24
Buffalo Brake Beam Co. ..... Inside Front Cover

Classified Ads 41
Coward-McCann, Inc. 39

Edison Ind., Thomas A., Div. of McGraw-Edison Co. 26
Erman-Howell Div. of Luria Steel & Trading Corp. 41

General Railway Signal Co. ..... Back Cover

Hotel New Yorker 41

International Business Machines 16, 17
International Nickel Co., The 27

Journal Box Servicing 33
Jackson Vibrators, Inc. 7

Kerite Company, The ..... Inside Back Cover

Magnus Metal Corp. 8
Miner W. H., Inc. 3

Oakite Products, Inc. 39

Peerless Equipment Company 21

Railway Maintenance Corp. 34
Railway Track-Work Co. 19

Speno Frank R. R., Ballast Cleaning Company, Inc. 32
Sperry Rail Service Div. of Sperry Products Inc. .. 11
Standard Railway Equipment Co. 4

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Sales Department to the Fore!

One by one (seldom concurrently) the various railroad departments get intensive top management attention.

For several years following the war, it was motive power—as the change-over came from steam to diesel. Signaling, maintenance of way, purchases and stores, accounting and finance—at one time or another in recent years each of these departments has, at least for a time, held the spotlight.

Now the sales department appears to be drawing more and more of this interest. It couldn't be more timely.

To the uninitiated, the sales force's job (except rates and tariffs) looks deceptively simple. It is, on the contrary, exceptionally difficult.

The salesman, for maximum effectiveness, needs to know the complex range of his company's services and rates. He should know, also, competitors' costs, rates and service. He ought to be up-to-date, too, about his customers' business.

STAFF AIDS—It is impossible for a railroad salesman to know all he should know to get best possible results—if he has to do all his own "researching." One of the results almost certain to come from intensified management attention to the sales department is the provision of better "tools"—sales training and a more systematic flow of information. And there should be provision, also, for systematized "feed back" of information to management from salesmen.

QUALITY CONTROL—The sales department certainly needs a larger voice than it has attained, so far on most railroads, in setting service standards. The day is past when a sales department can fairly be held responsible for selling a product of haphazard quality. Every railroad needs measurements (comparable to the operating and transportation ratios) which will tell management how reliable and fast its service is—or is not.

RATES AND COSTS—Happily for the railroads and their sales departments, railroad traffic officers have far more authority over pricing than sales departments do in most other industries. Pricing of railroad service must depend a great deal on "demand factors" that only sales officers can know. But sales departments could do a better job, from the standpoint of *net* earnings, if more of them had the constant assistance of cost analysts. It would greatly strengthen the hand of profit-minded sales officers, if profit ratios were compiled and carefully observed.

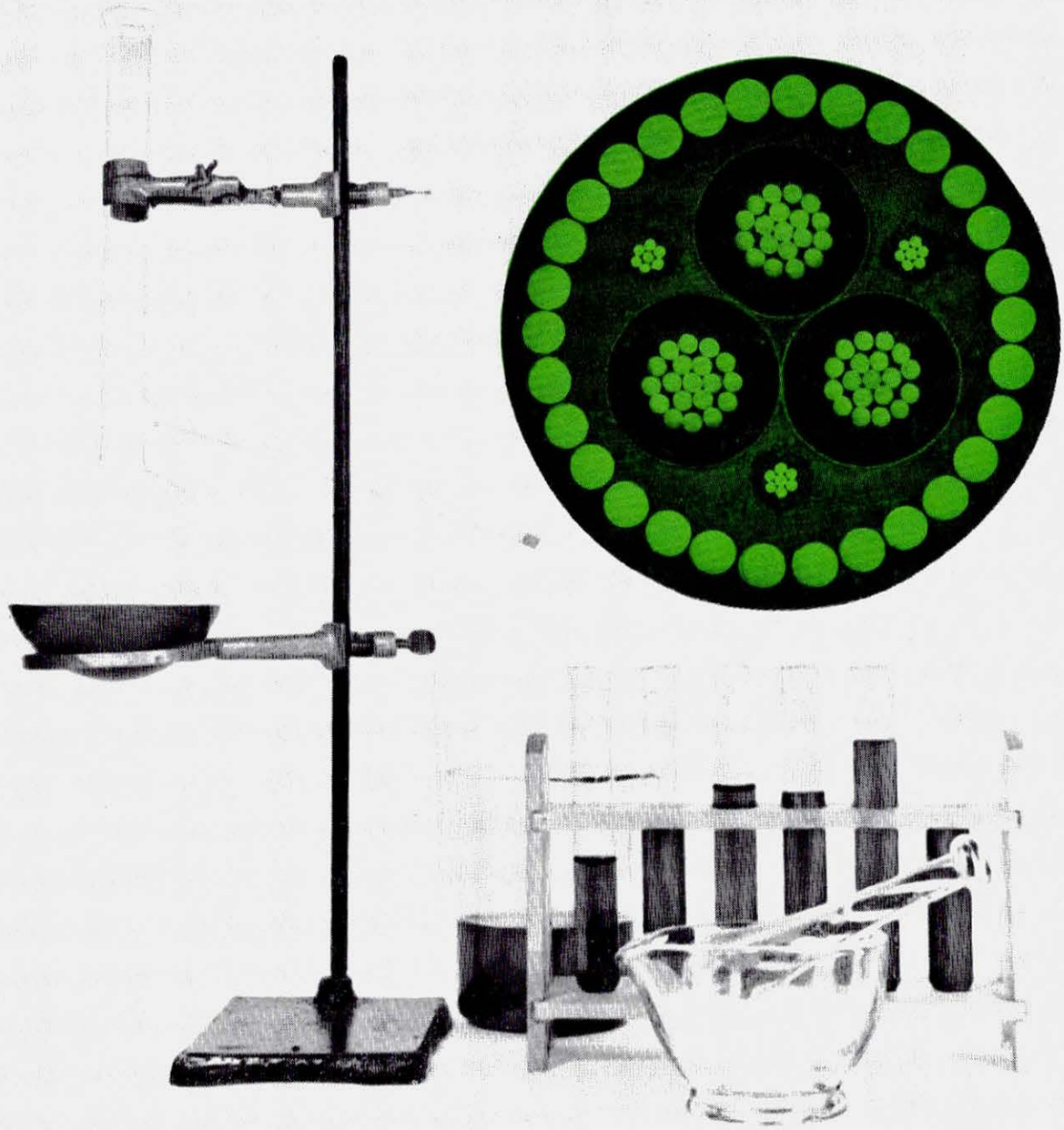
"Incentives" is a broad term—and bonus payments are not by any means the only effective ones.

CONTAINERS—Intensive studies of manufacturers' shipments in Erie, Pa., and Cleveland (RA, Feb. 3, p. 38 and May 12, p. 41) showed a fifth of the total tonnage at Erie and almost a third of it at Cleveland in shipments less than 20,000 lb. Upwards of 90% of these shipments were moving by truck. If the railroads are going to prosper, they need a lot more of this high-grade tonnage—and it's not easy to handle it economically in the standard box car. There should, then, be an intensification by railroads of piggyback and container service, and here again decisions are needed which fall to top management.

ADVERTISING—A good sales department invariably performs better if management gives it the support of regular advertising—"to make the calls on customers at times when the salesmen cannot." Advertising of a regular service, such as railroading, needs to be regular too. Some railroads feel they "don't have anything to advertise." But there isn't any railroad that does not have some services of very high quality. To tell the public about such services would seldom reveal anything that competitors don't already know.

•

Railroad sales departments are at the point of a great move forward—which should result in placing the sales manager and his department at a much higher stage of responsibility and authority than he usually now occupies. The pattern of the necessary changes seems pretty clear. All that is needed is for top management to intensify its indispensable encouragement and cooperation.



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